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The Changing Board 1979 Update

A Profile of the Board of Directors

Outsiders Gain Strength As Board Influence Grows

Outside directors are growing in numbers, their impact on corporations is more substantial, and they are being compensated more highly for their enlarged responsibilities.

- Outside directors now constitute an average of 63.03 percent of board membership, up from 59.83 percent a year ago.
- With the single exception of the executive committee, outside directors hold the majority of board committee chairmanships.
- The nominating committee has assumed a greater role in approving board prospects.
- Executive search firms and other management consultants have gained favor as a source of new directors while more traditional forms of assistance have declined in popularity.
- Compensation of outside directors continues to climb.
- Eight out of ten board chairmen believe boards will exert more influence on corporate governance in the future than is true today.

Heidrick and Struggles, Inc.
Management Consulting–Executive Search

According to Eugene E. Jennings, professor of management in the graduate school of business administration at Michigan State University, an advisor to corporate presidents, and an authority on management trends, "We are witnessing a revolution without a revolt! As corporate America nears the end of the Seventies, radical shifts are occurring in the powers of management and the board of directors.

"Before the start of the decade, Andrew Carnegie's dictum, 'If I'm going to have a board, it is going to be my board,' prevailed. Most corporate boards had more insiders than outsiders, and both were handpicked by management. The outsiders had much to gain from a profitable enterprise, being largely bankers, lawyers, and businessmen from firms which served the needs and interests of the corporation. Because of their stake in the enterprise, the directors were expected to and for the most part did encourage management to make wise business decisions. They were expected to represent the success, status, and pride of the corporation to the 'public' which was viewed as principally the investment community. Few committees existed; if there was one, it was probably the all-powerful executive committee which was chaired by an insider.

"In the 1980s, large publicly held corporations will become more publicly ruled than was even contemplated one decade ago. Increasingly, there are nominating committees chaired by outsiders who initiate the process of determining nominees to the board; and fewer and fewer outsiders represent firms which serve the needs of the corporation.

"Today the board is expected to represent the interests of the public at large to the corporation more than vice versa. Outsiders have acquired and will continue to acquire influence with which to rule corporate America. It will remain for the Eighties to show whether boards dominated by independent directors with little stake in the enterprise can use their new-found power wisely."

About this study

In June, 1979, Heidrick and Struggles conducted this fifth survey of boards of directors of the nation's most prominent corporations. With rapid changes occurring in board practices and policies, the firm examined a number of areas previously studied as well as focusing on new considerations. This update, the second since a more comprehensive review of the subject matter in 1976, included the 1,000 largest industrial companies and the 300 leading non-industrial organizations, including commercial banking, diversified financial, insurance, retailing, transportation, and utility companies. A response of 45 percent was attained.

Heidrick and Struggles is grateful to the board chairmen who took time from their important responsibilities to make these results possible.

Proportion of Outsiders Grows

Six out of ten boards have remained the same size over the past 12 months; about one in five reports an increase, and a like number, a decrease. The average board size remains 12.

However, the proportion of outsiders has climbed after remaining at roughly 59 percent since 1971. Currently, outside directors constitute 63.03 percent of the typical board.

- Three out of four companies report a majority of outside directors on the board, compared with 68.7 percent in 1976 and 64.4 percent in 1971.
- The number of organizations with no more than 25 percent outsiders continues to drop.
- At the same time the number of companies with 76-100 percent outsiders has reversed a long-term decline and now represents a quarter of all organizations surveyed.

Inside/Outside Director Representation
Outsiders as Percent of Board

	All Companies			
Percent	**1971**	**1976**	**1978**	**1979**
0-25%	7.1%	5.0%	3.8%	2.9%
26-50%	28.5	26.3	26.1	21.4
51-75%	33.6	47.9	53.7	49.7
76-100%	30.8	20.8	16.4	26.0
Average	59.56%	59.62%	59.83%	63.03%

Outside Directors Head Committees

Committees continue to proliferate, although executive committees are no more widespread now than in 1976. The sharpest increase has been posted by the nominating committee, which is found among nearly half of major organizations today, up from fewer than 10 percent just three years ago.

- Audit remains the most prevalent board committee, now being found in nearly 98 percent of all companies surveyed. Compensation, executive, and nominating committees follow in frequency.
- Audit, compensation, retirement (pension), and social responsibility have posted gains along with the nominating committee. Executive and finance have remained unchanged while stock option committees as a separate entity have declined in prevalence.
- Outside directors chair nearly 98 percent of the audit committees, 90 percent of compensation, 84 percent of stock option, 80 percent of nominating, 75 percent of social responsibility, and 63 percent of pension/retirement committees.

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- Slightly more than half of the finance committees are headed by outsiders.
- However, only 14 percent of executive committees are chaired by outside directors, with 58 percent being headed by board chairmen.

Approving Board Prospects

In 1976 the chief executive officer far outnumbered other sources as the initial decision-maker in approving director candidates. Then, second rank was held by incumbent directors as a group, followed by the board's executive committee. The nominating committee acted in only 8.2 percent of the companies.

Now almost 38 percent of the organizations report that the nominating committee is the initial decision-maker, undoubtedly working in concert with the chief executive. The CEO acting alone has dropped to second place, with 33 percent of the mentions. All incumbent directors act as the decision body in 17 percent of the companies today, while the executive committee assumes this responsibility in only 11.3 percent of the organizations.

Sources of Candidates

The only source of assistance in identifying new directors to gain favor over the past three years has been executive search firms and other management consultants. However, even today consultants are employed by just 13 percent of the organizations studied, which use a variety of means to locate candidates.

Present directors remain the most popular resource, specified by 94.5 percent of the companies, while non-director corporate officers are relied upon by 44 percent of the participating organizations.

Investment bankers, commercial bankers, and attorneys are far less frequently utilized as resources now than in 1976.

Directors' Compensation Advances

One discernible result of the board's greater contribution to corporate governance is substantially higher compensation.

Now nearly 12 percent of board members receive at least $18,000 for attending regularly scheduled board meetings, compared with about 6 percent three years ago. Indeed, 1.2 percent receive $21-23,999, and 1 percent are paid $24,000 or more.

Compensation of Outside Directors for Board Meetings

	All Companies			1979 Industrials				Non-Industrials
	1976	1978	1979	$2 billion and more	$1-1.9 billion	$500-999MM	Under $500MM	
Under $3,000	10.1%	5.4%	2.1%	—	—	—	4.6%	1.1%
$3-5,999	25.8	9.8	7.8	—	1.9%	—	14.3	7.1
$6-8,999	28.6	25.9	24.4	3.4%	3.8	17.7%	37.5	23.9
$9-11,999	17.5	20.5	22.5	5.2	21.2	35.3	24.1	21.7
$12-14,999	11.6	17.8	18.9	12.1	32.7	25.0	12.0	22.8
$15-17,999	6.4	12.9	12.6	29.3	21.2	13.2	5.6	13.0
$18,000 and more		7.8	11.7	50.0	19.2	8.8	1.9	10.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Eighty-five percent of the organizations offer additional compensation for committee membership and/or chairmanship. Twenty-two percent offer no extra remuneration for chairmen, while just 2.5 percent report no additional sum for committee members.

Additional Compensation for Committees

Retainer	Chairmen	Members
$1,000 or less	2.7%	0.8%
$1,001-3,000	4.5	1.3
$3,001-5,000	2.3	1.7
More than $5,000	3.6	1.7
Per Meeting		
$250 or less	10.4	15.9
$251-500	33.0	60.2
$501-750	6.4	7.1
More than $750	3.6	2.1
Other arrangement	11.3	6.7
No extra compensation	22.2	2.5
	100.0%	100.0%

Board Composition

Not only are time demands greater for today's directors, but the threat of suits looms larger. The pool of qualified and interested prospects is shrinking, even as government sources and corporate critics decry direct and indirect interlocks.

One consequence of these conditions is a greater interest by organizations in "professional" directors, retired executives, and directors from outside the United States. Now 18 percent of the companies studied profess an interest in professionals, or those whose primary activity is serving as an outside director of companies, up from 13.5 percent three years ago. The number expressing interest in retirees has climbed to 56 percent from 44 percent, while those considering foreign executives has advanced to 30 percent from 22 percent.

However, nearly three-quarters of the organizations report no members of a racial or ethnic minority as board members, and 68 percent of the companies have no women directors.

Chairmen View the Board

The majority of board chairmen either agree strongly or mildly with the suggestion that legal counsel, commercial bankers, and investment bankers should not serve on their client companies' boards. However, 65 percent disagree with the proposal that boards avoid a direct interlock of directors, and 71 percent disagree with the sentiment against indirect interlocks.

Certainly, board chairmen believe that boards will exert more influence on companies in the future. This feeling is even more prevalent among industrials than non-industrials and on both coasts than in the Midwest or South/Southwest.

However, overall only one chairman felt that board impact would decline; and only about one in five believed that director influence would remain the same.

About Heidrick and Struggles

As one of the largest and most experienced management consulting firms specializing in executive and director search, Heidrick and Struggles has worked at the upper and middle echelons of management in all functions in behalf of organizations within every one of the world's major industries.

The company's senior members are increasingly called upon for counsel and professional assistance in the critical task of identification and selection of able corporate directors. The search for outside directors capable of stimulating management thinking and aiding the chief executive in decision-making now demands analyzing board requirements, developing a strategy of research, establishing several candidates and contacting prospects personally where possible to evaluate their suitability. The final decision rests with the client organization, but the use of search consultants can help the client preserve anonymity until a decision is made.

Heidrick and Struggles is pleased to add this current study to those periodically published by the firm to make known trends of significance to senior management. A related report, DIRECTOR DATA, surveys outside directors newly elected to the country's leading boards each year and provides information on the characteristics of outside directors themselves.

Heidrick and Struggles, Inc.

Management Consulting—Executive Search

Boston	**Los Angeles**	**London**
Chicago	**New York**	**Mexico City**
Cleveland	**San Francisco**	**Paris**
Dallas	**Brussels**	**Utrecht**
Houston	**Frankfurt**	**Zurich**

Profile of a Black Executive

The typical black executive in American business today is a 43-year old man born in the South or Southwest who is a college graduate with an advanced degree or some study toward one. He is employed by a billion dollar industrial corporation in the East or Midwest and holds the title of vice president or manager. The executive joined his present employer less than ten years ago, after working for two other firms. He achieved his present title within six years.

The black executive earns $40,000 or more annually. He works 55 hours per week and devotes another five and a half hours to community service. He has endeavored to follow a career plan over the years. He feels a high degree of satisfaction with his career progress but is willing to move to another organization providing him with greater opportunity.

The participants in this study bear a close similarity to other business leaders surveyed by the firm. Though generally coming from less privileged backgrounds, they have exerted similar patterns of upward mobility and resemble other executives in terms of level of education, hours worked and degree of career satisfaction.

Heidrick and Struggles, Inc.
Executive Consulting —
Chicago, Illinois

Heidrick and Struggles has published studies of executive demand since 1954 and profiles of executives and executive positions since 1962. This original research is conducted to help senior management keep abreast of trends in the executive marketplace. While much has been published by various organizations concerning the progress of blacks, this is the first broadly based study of black mangers and professionals who have achieved success in American business.

In July, 1979, questionnaires were mailed to 638 men and women identified as black executives through newspapers, magazines, and directories. To encourage response, the anonymity of individual replies was assured. Three hundred and seventy-five, or 59 percent, or the questionnaires were returned in time to be included in this study. Approximately 90 percent of the respondents are men.

Throughout this study, the findings are compared with the results of two other studies done earlier in the year by Heidrick and Struggles. One of these is an annual survey of senior-echelon corporate officers, overwhelmingly male, whose new responsibilities are announced in *The Wall Street Journal*. The second is an annual survey of women officers of America's largest industrial and non-industrial companies.

For over a quarter of a century, Heidrick and Struggles has devoted its full resources to helping client organizations in all major industries locate, evaluate, and attract the highest caliber executive talent. Men and women sought in behalf of client companies range from candidates for the board of directors and chief executive officer's post to middle management.

As one of the oldest and largest firms devoted exclusively to executive search, Heidrick and Struggles provides access to leading executive markets around the world through eight domestic and eight international offices. The firm's seasoned consultants are supported by the search industry's most comprehensive research and planning operations, the product of more than 25 years of meeting clients' needs for superior performers.

by Eugene E. Jennings, Ph.D.

To put our survey findings in perspective, Heidrick and Struggles commissioned Dr. Eugene Jennings to prepare this introduction to our study. In reviewing survey findings in light of his own experience and research, Dr. Jennings has forecast future trends for black executives in American business.

Dr. Jennings directs research studies in executive behavior. He is a lecturer and writer and confidential advisor to many chairmen and presidents of leading corporations. As professor of management in the graduate school of business administration at Michigan State University, he is an authority on managerial stress and executive mobility.

The prospects for black executives to make their way to the top is extremely favorable. As a group they are similar to the youthful MBAs of the early 60s, who blazed a trail to the top and set a pattern for others to follow to succeed in American corporations. These black executives are following that success pattern and are similar to their white counterparts of the 60s in many ways:

1. They have migrated to the fastest routes to the top—sales, marketing, manufacturing and finance. They have also avoided being stereotyped by functional areas, being well distributed across the primary business responsibilities.

2. They are not afraid of hard work, spending 50 to 60 hours or more per week on their jobs. They know that hard work pays, since the top earners are working over 60 hours per week on the average.

3. They have paid their educational dues. They are nearly as highly degreed as any other group we have studied.

4. They have a strong sense of self reliance. Born in the South and Southwest, they find themselves predominantly in the East and Midwest, where the largest corporations are concentrated. This self reliance is a prerequisite for career mobility. An executive not willing to break away from past ties cannot go far in corporate America.

5. They are well committed. They are willing to move geographically and organizationally to advance their careers, and this is indeed a very critical factor in sustaining upward career mobility.

6. Their appetites for progress are not easily sated. They are pleased and satisfied with their progress, but they want more and expect more. They cannot be easily turned back.

7. They have powers of leverage. With the vast majority in large corporations, they can leverage themselves into higher positions with medium or smaller size companies, thus accelerating their rise to the top.

No doubt black executives will make a long term impact upon corporate America.

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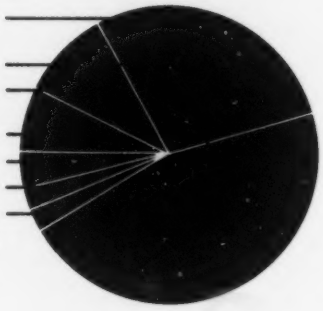
Three fourths of the black executives are employed by manufacturing firms or real estate, insurance, and financial organizations. Those employed by manufacturers are older than those in other industries, and manufacturing firms appear to be attracting fewer of the young black executives. Forty-nine percent of all executives 45 years of age and older are employed by manufacturers, but just 41 percent of those under 35 are with such companies.

In contrast, financial, real estate, and insurance organizations employ 29 percent of the black executives but 38 percent of black executives under 35.

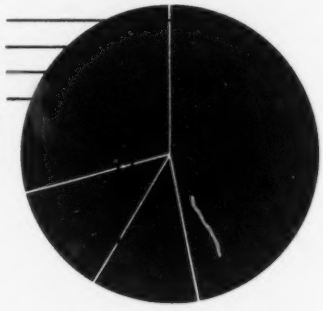
Type of Employer	
Manufacturing	46.0%
Financial, real estate, insurance	28.6
Wholesale & retail trade	9.4
Transportation, communications	7.0
Services	4.0
Utilities	2.4
Other	2.6
	100.0%



More than three quarters of the black executives are located in two regions. Forty-seven percent are in the East, while another 30 percent are in the Midwest. The remainder is nearly equally divided between the West and South/Southwest. This can be partially attributed to the concentration of large organizations in the East and Midwest. Nearly 60 percent of the black executives are associated with billion dollar businesses.

Executives employed in the East and Midwest are more highly educated. Of those working in the East, 85 percent are college graduates, and 91 percent of the Midwest-based have college degrees.

Base Location	
East	46.9%
Midwest	29.9
South/Southwest	11.7
West	11.5
	100.0%



Black executives represent a wide range of functions. Eighty-three percent are associated with six functional areas, with none outstanding in terms of proportion. The highest representation is 21 percent in sales and marketing, followed closely by personnel and finance. The 14 percent who are shown in the chart as general management hold titles of chairman, chief executive officer or president.

Just under one in ten of the executives is involved in manufacturing/operations, and a similar number are engaged in public and community relations. All other functional areas account for 17 percent of the total.

Functional Area	
Sales/marketing	20.6%
Personnel	16.6
Finance/accounting/audit	14.2
General management	13.9
Manufacturing/operations	9.1
Public/community relations	8.6
Engineering/research	5.3
Legal	3.2
Advertising	1.3
Data processing	1.3
Other	5.9
	100.0%

The two most common titles are vice president and manager, each of which accounts for just over 31 percent of the total group. Eighty-two percent of those with the titles of vice president (including executive, senior, group and assistant or second vice president) are on the corporate level. Of those with the title of manager, 55 percent are on the corporate level.

Four out of ten of those executives carrying the titles of chairman, chief executive officer, or president started their own businesses. Only one person with such a title is with a firm larger than $100 million in sales, and he is on the subsidiary, unit or division level.

If those with the titles of chairman, chief executive officer and president are removed from the tabulation, those with a vice presidential title would account for over 44 percent of all executives at the corporate level.

Vice presidents have an average of 66 persons reporting to them either directly or indirectly. The corporate vice presidents average 77 reports.

Title	Percent of all titles	Percent of titles at corporate level	Percent of titles at subsidiary, division or unit level
Chairman/CEO/President	14.6%	98.0%	2.0%
All Vice Presidents*	31.9	82.1	17.9
Director or Assistant Director	11.9	72.1	27.9
Manager	31.3	54.5	45.5
Other	10.3	63.2	36.8
	100.0%		

*Includes titles of executive, senior, group, assistant and second vice president plus vice president

Cash compensation of black executives varies widely. About a third earn less than $35,000, a third earn between $35,000 and $49,999, and an equal number receive $50,000 or more.

Education relates to compensation level among black executives as it does with both upper echelon officers and women officers. Of the blacks earning $75,000 or more, 87 percent are college graduates and 49 percent hold an advanced degree.

Among those executives receiving less than $30,000, 76 percent have degrees and 27 percent have earned more than one.

Black executives receive a variety of perquisites, although none is enjoyed by a majority of the respondents. Forty-three percent receive additional insurance coverage; 38 percent, a stock purchase plan; 33 percent, stock options; and 32 percent, an automobile. About one in seven receives performance shares, deferred compensation, and town club membership. About 12 percent receive financial counseling, while fewer than 10 percent have such perks as management contracts, country club memberships, and tax shelter opportunities. Not unexpectedly, executives of 45 and over who generally hold higher titles are more likely to receive perks than are younger survey participants.

Cash Compensation	Percent of Total	Percent by age: Under 35	35-44	45 and older
$20-29,999	18.3%	36.6%	15.9%	10.2%
$30-34,999	14.8	28.1	13.8	9.0
$35-39,999	14.0	12.2	17.4	9.7
$40-44,999	12.6	12.2	6.5	19.3
$45-49,999	7.0	6.1	7.2	7.6
$50-74,999	19.6	4.8	22.6	26.9
$75-99,999	8.1		10.1	9.7
$100,000 and more	5.6		6.5	7.6
	100.0%	100.0%	100.0%	100.0%

Perquisites	Percent of executives receiving perk
Additional insurance	42.9%
Stock purchase plan	38.1
Stock options	33.3
Automobile	31.7
Deferred compensation	15.2
Town club membership	14.9
Performance shares	14.7
Financial counseling	11.5
Tax shelter opportunities	7.5
Management contract	6.9
Country club membership	6.1
None or failed to answer	14.9

Income and Education	Annual cash compensation: $20,000-$29,999	$30,000-$39,999	$40,000-$49,999	$50,000-$74,999	$75,000 and more
No Degree	24.2%	18.3%	11.6%	6.9%	12.8%
Undergraduate Degree	48.5	46.1	44.9	50.0	38.3
Advanced Degree	27.3	35.6	43.5	43.1	48.9
	100.0%	100.0%	100.0%	100.0%	100.0%

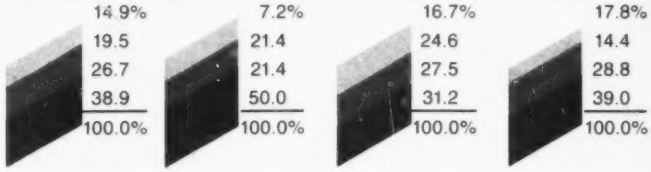
In common with managers and professionals overall, the black executive is well educated. Eighty-five percent are college graduates, 39 percent hold an advanced degree, and another 27 percent have done post-graduate study. This closely parallels senior-level predominantly male officers, of whom 93 percent are college graduates and 47 percent have advanced degrees. However, the educational level of black executives exceeds that of women officers. Only 56 percent of the females hold college degrees, and just 26 percent have advanced degrees.

As is true with upper echelon officer and women officer groups, younger black executives are more highly educated. Of those in this survey under 35 years of age, 93 percent are college graduates and half hold an advanced degree.

Those college graduates who were top scholars are now top earners. The proportion of those scoring at least a 3.0 on a 4.0 scale rises directly with income, and 65 percent of those now earning $75,000 or more were 3.0-or-better students.

Highest Educational Attainment

	Executive's age			
	Total	Under 35	35-44	45 and older
High school graduate	14.9%	7.2%	16.7%	17.8%
College graduate	19.5	21.4	24.6	14.4
Some graduate study	26.7	21.4	27.5	28.8
Advanced degree	38.9	50.0	31.2	39.0
	100.0%	100.0%	100.0%	100.0%



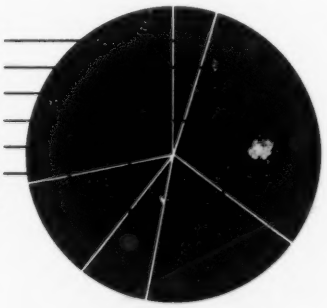
Black executives, senior-echelon officers, and women officers demonstrate the same level of career mobility. All three groups have worked for an average of three employers. One in seven of the black executives has worked for only one company, and half have had two or three employers during their careers.

Thirty-six percent have been with their present firms for five years or less. Personal contact was the means of attracting nearly half of the black executives to their current employers. Executive recruiting consultants were responsible for 19 percent of the matches, with nearly 35 percent of those under the age of 35 being recruited in this manner. College recruitment and minority recruitment programs accounted for relatively few of the black executives' current affiliations.

Nearly one fourth of the individuals started with their present titles; those who did not waited an average of six years before achieving their current posts. The number of years required to advance correlates with the size of the company, with more time being required in larger concerns.

Tenure

Years with present employer	Total
Under 1 year	4.8%
1-5 years	30.9
6-10 years	28.0
11-15 years	17.9
16-20 years	7.2
Over 20 years	11.2
	100.0%



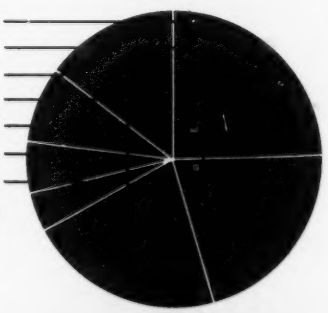
Number of Employers	Total
One	14.2%
Two	23.7
Three	27.8
Four	17.7
Five	8.2
Six or more	8.4
	100.0%
Average	3.07

Means of Joining Present Employer

	Total
Personal Contact	47.7%
Executive Recruiting Consultant	18.7
School Recruitment	7.2
Minority Recruiting Program	6.7
Started Own Company	5.6
Advertisement	4.8
All Other	9.3
	100.0%

Tenure

Years employed before assuming title	Total
Started with title	24.3%
1-3 years	21.1
4-6 years	14.6
7-10 years	21.4
11-15 years	8.2
16-20 years	5.9
Over 20 years	4.5
	100.0%
Average	6.15 years



Satisfied though they may be with their career progress, a majority of these executives are willing to change organizations and to relocate. Fifty-four percent say they would move to another organization if the opportunity for a higher level of responsibility does not arise in their present organization. Sixty-two percent say they are willing or eager to move geographically.

As would be expected, these feelings are expressed most frequently by the younger executives and those less satisfied with their career progress. Of those under 35 years of age, 75 percent are willing to move to another organization, and 68 percent are willing to relocate. Nearly the same is true of those reporting an average or lower degree of satisfaction with their career progress. Of those with such feelings, 69 percent are willing to change employers, and 70 percent are willing or eager to move geographically.

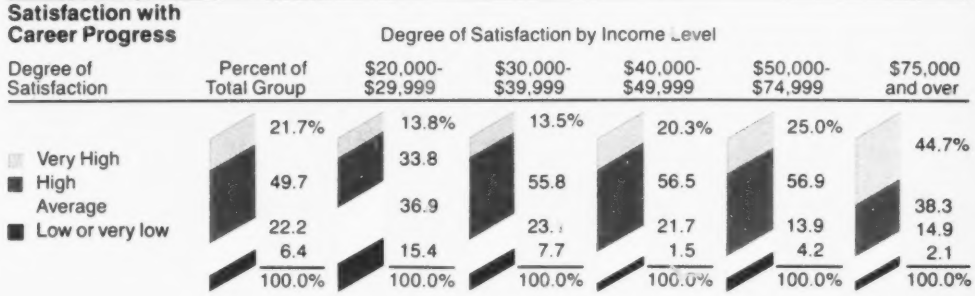
Senior-level corporate officers who were surveyed were not asked about their willingness to change employers since they all were recently promoted or had just joined a new employer. They were, however, asked to describe their geographic mobility. Sixty-one percent said they were willing or eager to move. Such a description was given by three fourths of those with a lower than average degree of satisfaction with their career progress.

		Age			Career Progress Satisfaction	
Thinking regarding future	Percent of total	Under 35	35-44	45 and older	Very high/high	Average / low
Stay in present position	12.1%	1.2%	5.8%	25.4%	14.6%	5.8%
Advance in present organization	30.1	24.1	27.0	36.2	33.5	22.1
Move to another organization	53.7	71.1	63.5	34.1	47.3	69.2
Advance in present or move to different organization	4.1	3.6	3.6	4.3	4.6	2.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Geographic mobility						
Eager to move	4.0%	3.6%	3.6%	4.9%	3.4%	5.7%
Willing to move	58.3	64.3	65.0	47.8	55.8	64.2
Reluctant to move	34.7	32.1	29.9	41.0	37.0	29.2
Impossible to move	3.0	—	1.5	6.3	3.8	0.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Black executives express an above average degree of satisfaction with their career progress. More than 71 percent rate their satisfaction as either high or very high, and only 6 percent describe it as below average.

Just one individual expresses very low satisfaction with his progress. The level of career satisfaction evidenced by blacks is comparable to that of women officers and is not significantly lower than that of senior corporate officers. However, possibly because of rising expectations, the average level of satisfaction among black executives declines with age.

Satisfaction with Career Progress

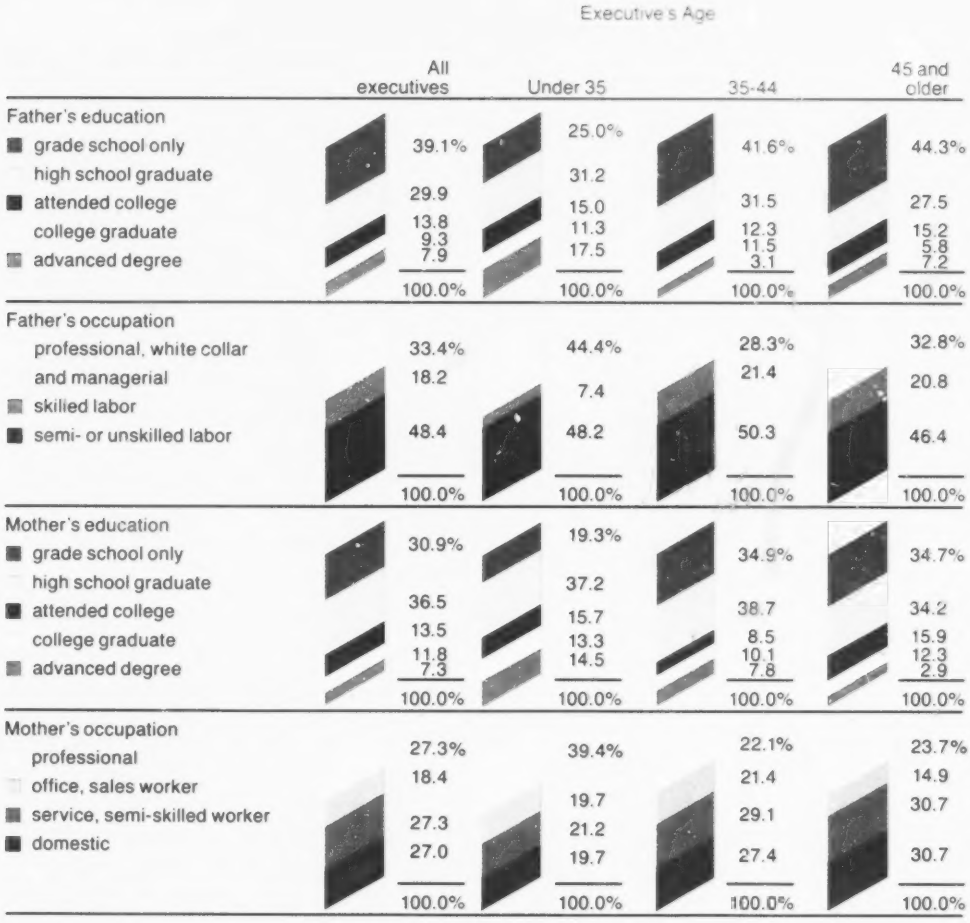


The upward socioeconomic mobility of blacks is evident among surveyed executives as a group. More than half earn at least $40,000 annually, but 88 percent describe their economic background as low income or lower middle class. The remaining 12 percent describe their origins as upper middle class; only one person in the entire study describes his parents as wealthy.

This improving economic status is also evident between the older and younger executives in the study. Ninety percent of those 45 or older describe their background as either lower middle class or low income versus 82 percent of those under 35. One third of all executives report their fathers were in managerial, professional, or white collar jobs, but 44 percent of those younger than 35 indicate this was the case. Thirty-nine percent of those under 35 say their mothers were employed as professionals, compared to only 24 percent of those 45 and older.

The executives' mothers worked after marriage in 77 percent of the families, and 56 percent worked before as well as after being married. The mothers of 27 percent were employed as teachers, nurses, or other professionals, and an equal number were domestics.

Fathers of 39 percent of the black executives lacked high school diplomas, while the fathers of 17 percent were college graduates. Thirty-one percent of the mothers did not complete high school, while 19 percent hold college degrees. Higher titled black executives have more highly educated parents. Twenty one percent of the corporate level vice presidents have college graduate fathers; 32 percent have mothers who earned degrees. In contrast, just 17 percent of those executives with a corporate manager's title have degreed fathers, and only 16 percent have college graduate mothers.



Black executives, like senior-echelon officers surveyed, generally work long hours and devote a significant amount of time to civic and charitable organizations.

Black executives average nearly 55 hours of work weekly, and 77 percent of them devote at least 50 hours to the job. This approximates the 57-hour average of senior-echelon officers and exceeds the time devoted by women officers. Nearly six out of ten of the females spend no more than 50 hours at work. In keeping with both senior-echelon and women officers, blacks who work longer hours make more money. The average exceeds 60 hours for blacks earning $75,000 or more.

Time Devoted to Business

		Percent by Income Level				
Hours/Week	Total	$20,000-$29,999	$30,000-$39,999	$40,000-$49,999	$50,000-$74,999	$75,000 and more
Under 45 hours	11.4%	23.1%	12.6%	11.6%	—	—
45-49	12.1	23.1	15.5	11.6	—	—
50-54	21.3	24.6	17.5	27.5	22.2%	13.3%
55-60	38.8	16.9	35.9	40.6	54.2	48.9
Over 60 hours	16.4	12.3	18.5	8.7	15.3	31.1
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average hours	54.7	49.2	55.1	53.2	56.5	60.7

The old adage, "If there's a job to be done, give it to the person who's busy", certainly holds true for black executives. They average 5.5 hours a week in community or charitable affairs, with those devoting the most time also expending the longest hours on their paid employment.

Those 45 and older devote seven hours a week to volunteer service, twice the time commitment of those under 35.

This level of community service is higher than that evidenced in studies of other groups. Only 5.5 percent of women officers devote more than five hours weekly to community services, and 42 percent are involved in no such activity. Chief executive officers of the 500 largest industrial companies and 300 leading non-industrials surveyed by the firm average five hours weekly, with half having increased this total after becoming CEO.

Time Devoted to Community Service

		Hours/week spent on business			
Community Service Hours/Week	Total	Under 45	45-54	55-60	Over 60
Less than 1	15.0%	22.0%	18.8%	8.7%	16.7%
1-2	21.8	22.0	28.5	21.7	10.0
3-4	21.8	24.4	26.8	18.1	18.3
5-8	21.8	24.4	12.5	26.9	26.7
9-12	10.1	4.8	8.0	11.6	13.3
13 or more	9.5	2.4	5.4	13.0	15.0
	100.0%	100.0%	100.0%	100.0%	100.0%
Average hours	5.5	3.7	4.2	6.4	7.2

Survey participants average 43 years of age, with the women being slightly younger than the men. More than half of the black executives are between the ages of 35 and 50, and another 23 percent are 34 or younger.

This makes the black executive group as a whole younger than the woman officers or predominantly male senior-echelon executives studied previously. The upper level officers average 50 years of age, while 54 percent of the women are 45 or older.

Age of Executives

Age	Percent of total
Under 30	4.9%
30-34	17.9
35-39	19.0
40-44	18.5
45-49	15.2
50-54	12.8
55-59	6.5
60 and older	5.2
	100.0%
Average age	43

Comparing place of birth with present location illustrates the mobility of black executives. While nearly 41 percent of the survey participants were born in the South or Southwest, less than 12 percent are now employed in those regions. Only 29 percent were born in the East, but 47 percent are now based there.

Birthplace/Present Location

Region	Percent born in region	Percent working in region
East	28.6%	46.9%
Midwest	24.9	29.9
South/Southwest	40.9	11.7
West	2.5	11.5
Foreign	3.1	0
	100.0%	100.0%

Asked to name the single factor that has contributed most to their career success, nearly 44 percent of the black executives cite such factors as hard work, determination, aggressiveness, and perseverance. Other positive factors include functional ability and people skills, both specified by 13 percent of the executives. One in eight mentions education while one in ten enumerates experience. Only three persons cite race as a contributor to success. However, racial discrimination is specified by 45 percent of all participants as the single most impeding factor. The proportion of various factors cited as aiding or impeding progress is nearly the same for black executives at all income levels.

When asked similar questions, women officers most often named hard work and ability as factors contributing to their success. Discrimination against women was cited by 49 percent of the females as that factor most detrimental to progress.

Black executives approve by extraordinary majorities issues related to minority employment and training but are less likely to endorse racial quotas for school admission and school busing. A slight majority of the blacks believe racial prejudice in business is unchanged although more see it declining than feel it is rising. Only 7 percent of these executives say the progress of blacks in achieving executive positions in major American businesses during the past 15 years has been faster than they anticipated. However, one third believe progress will be faster in the upcoming decade and a half.

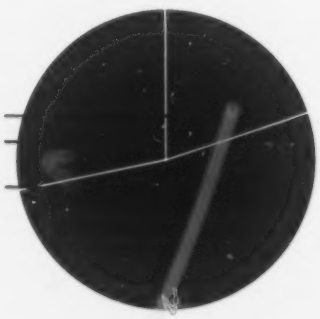
Nearly six out of ten feel black progress in achieving executive positions over the past 15 years had been slower than that of women. An even greater proportion feel that black progress will lag that of women in the coming years.

Stand on Social Issues	Approve	Disapprove	Not sure
Special programs to acquaint blacks with business	97.9%	0.8%	1.3%
Special training programs to foster equal opportunity for blacks in education	96.0	1.9	2.1
Corporate affirmative action goals	95.9	1.9	2.2
Special training programs to foster equal opportunity for blacks in employment	95.7	2.4	1.9
Quotas to achieve fair share employment for blacks	78.5	11.0	10.5
Racial quotas for school admission	60.1	17.9	22.0
School busing for racial integration	54.7	25.1	20.2

Minority Employment Issues

1. View of racial prejudice in business today:

On the rise	19.8%
Diminishing	28.7
About the same as it has been	51.5
	100.0%



2. Opinion of the progress of blacks in achieving executive positions in American business:

	Over past 15 years		Over next 15 years
Much faster than I anticipated	0.8%	Will be much faster	4.0%
Somewhat faster than I anticipated	6.2	Will be somewhat faster	29.0
About the same as I anticipated	33.4	Will be about the same	43.3
Somewhat slower than I anticipated	42.3	Will be somewhat slower	17.2
Much slower than I anticipated	17.3	Will be much slower	6.5
	100.0%		100.0%

3. Opinion of the progress of blacks in achieving executive positions compared with the progress of women:

	Over past 15 years	Over next 15 years
Much faster for blacks	3.5%	1.6%
Somewhat faster for blacks	23.2	7.5
About the same for blacks	14.6	25.9
Somewhat slower for blacks	38.4	45.3
Much slower for blacks	20.3	19.7
	100.0%	100.0%

Publications

The firm's original research on trends in management is shared with the business community at large. A complete list of Heidrick and Struggles publications appears below. Single copies are available upon written request to our nearest office.

The Changing Board (1979 Update, 1978 Update, 1977)
Profile of the Board of Directors (1971, 1966)
Profile of a Chief Executive Officer (1977)
Profile of a President (1972, 1967, 1962)
President Profile, Bank and Bank Holding Company (1974)
Profile of a Bank President (1969, 1963)
Profile of a Woman Officer (1979, 1978, 1977)
Profile of a Black Executive (1979)
Chief Personnel Executives Look at Blacks in Business (1979)
Profile of a Chief Financial Officer (1975, 1970, 1965)
Profile of a Chief Personnel Executive (1977)
Profile of a Chief Marketing Executive (1976, 1971, 1966)
Profile of a Chief International Officer (1975, 1970)
Profile of a Chief Research and Development Executive (1978, 1973, 1968)
Profile of the Bank Chief Executive in Great Britain (1973)
Profile of the British Board of Directors (1972)
Profile of the Chief Financial Officer in Great Britain and His American Counterpart (1976)
Profile of a Canadian President (1973)
Profile of the European Chief Executive and His American Counterpart (1969)
Profile of the European Personnel Director (1976)
Profile of the Chief Executive Officer in Mexico (1977)
Profile of a Mobile Executive (1977)

Executrend—Measuring the Executive Market (originated in 1954, issued semi-annually).
Director Data—A report on outside director selection practices (originated in 1976, issued annually)
The Search For Management—Services of an Executive Recruiting Firm

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Findings of a study of executives in America's 500 largest companies

Chief Personnel Executives Look at Blacks in Business

Heidrick and Struggles, Inc.

About Heidrick and Struggles

As one of the largest and most experienced management consulting firms specializing in executive search, Heidrick and Struggles has worked in all functions and within every one of the world's major industries. Men and women sought in behalf of client organizations range from candidates for boards of directors and chief executive officers to middle management.

Heidrick and Struggles provides access to leading executive markets here and abroad through its offices in 18 major business centers. The seasoned, skilled, and sensitive men and women of the firm's professional staff have had extensive management experience prior to entering consulting. These search consultants welcome the challenge of developing optimum solutions to client problems. The staff is supported by the search industry's most extensive research and planning function, the product of more than 25 years of intelligence gathering on industries, companies within industries, and both sources and prospects within companies.

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Methodology

In mid-1979, Heidrick and Struggles undertook a national survey of black managers and professionals in organizations of every type and size to assess the status of blacks in the executive marketplace. Results of this first broadly based study of black men and women in American business have been published as "Profile of a Black Executive."

At the same time, Heidrick and Struggles sought from chief personnel executives of the FORTUNE 500 companies information on the progress made by blacks in their organizations. The personnel heads were also questioned relative to their opinions on certain topics which had been included in the black executive study. This report is the result.

The chief personnel executives were contacted by mail, and replies were not identified by individual company. One hundred and fifty-six of the 500 executives chose to take part, a response of 31 percent. The make-up of participating organizations did not vary significantly from the 500 approached in terms of the three factors which are known—headquarters location, sales volume, and number of employees.

Replies have been examined by company size, location, size of work force, and type of products to determine the impact of these factors.

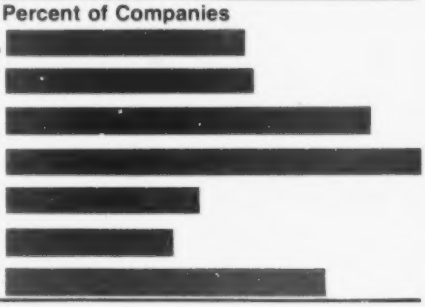
Heidrick and Struggles is grateful to the chief personnel executives who made possible the findings which follow.

Major Findings

- "Manager" is the most prevalent title held by surveyed organizations' highest ranking blacks.
- The participating personnel executives give their companies an average rating of "fair" in recruiting, developing, and retaining blacks as executives, compared with the FORTUNE 500 companies as a whole.
- The major problem experienced by the companies in recruiting blacks for managerial or professional posts is the scarcity of blacks with appropriate education and/or experience.
- One third of the organizations find it necessary to pay a premium to attract blacks to managerial or professional posts.
- The major problem experienced by the companies in developing black managers and professionals is the limited number in their organizations.
- The major problem in retaining blacks has been higher outside salary offers.
- Nearly half of the companies have been threatened with ineligibility for a federal contract because of a compliance review.
- A slight majority of the organizations have been subject at some time to a federal government race discrimination investigation involving black managers or professionals.
- Nearly half of the companies have been subject to a state government race discrimination investigation involving black managers or professionals.
- A quarter of the organizations have experienced a local government race discrimination investigation involving black managers or professionals.
- About three out of ten organizations have had a federal or state lawsuit filed against them, alleging race discrimination and involving black managers or professionals.
- About a quarter of the companies have signed a conciliation or consent agreement or have had entered against them a court decree dealing with race discrimination and involving black managers or professionals.
- An overwhelming majority—93 percent—of the chief personnel executives approve of corporate affirmative action goals.
- A majority of the companies factor into determination of a manager's or supervisor's compensation his or her record of achieving affirmative action goals.

Percent of Total Employees Who Are Black

Blacks in Work Force	Percent of Companies
4 percent or less	12.2%
5-6	12.9
7-8	18.7
9-10	20.9
11-12	10.1
13-14	8.6
15 percent of more	16.6
	100.0%

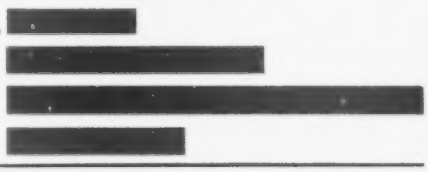


Average proportion of black employment: 10.25%

Billion dollar corporations have a larger proportion of black employees than do their smaller counterparts. Midwest companies report the largest percentage of black workers, with companies in the East claiming the smallest. Capital goods companies have a slightly larger average proportion of blacks in the work force than do consumer product concerns.

Title of Highest Ranking Black

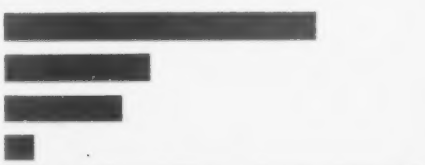
Title	Percent of Companies
Officer	13.1%
Director	26.8
Manager	41.8
Other	18.3
	100.0 %



"Manager" is the title of the highest ranking black executive in more than four out of ten companies. Virtually all of the officers hold the title of vice president. A greater proportion of blacks have obtained officer status at billion dollar companies, at firms headquartered in the East, at those organizations with the largest work forces, and at consumer products companies.

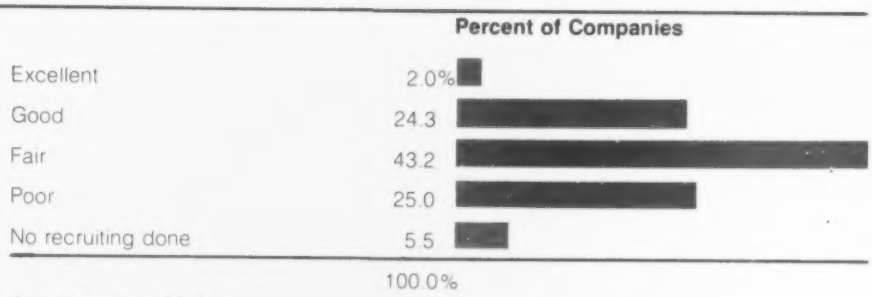
Functional Area of Highest Ranking Black

Functional Area	Percent of Companies
Manufacturing/Operations	22.4%
R&D/Engineering	10.4
Finance/Accounting/Audit	8.6
Data Processing/Computer Operations	2.3
Personnel/Human Resources	29.3
Sales/Marketing	14.4
Other	12.6
	100.0%



Three out of ten top-ranking black executives are found in the personnel/human resources function, possibly because of heavy representation in EEO/affirmative action. The next largest proportion is in manufacturing/operations, while sales/marketing ranks third. However, blacks are far less frequently found in sales/marketing in capital goods companies, probably since technical training typically is a requirement there.

Rating of Company's Record in Recruiting Blacks as Executives

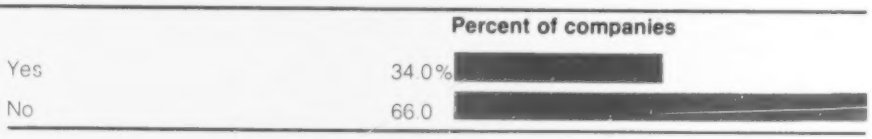


100.0%

Average rating: Fair

On average, the personnel executives rate their companies' performance as "fair" when compared with FORTUNE 500 companies as a whole in terms of recruiting blacks as executives over the past 15 years. Billion dollar companies, those headquartered in the East, companies with the largest work forces, and consumer firms rate themselves highest.

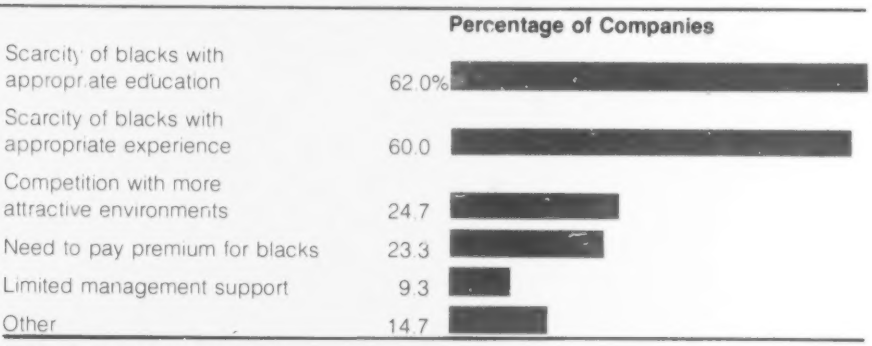
Premium Payment to Attract Blacks



100.0%

About one third of the responding organizations find it necessary to pay a premium to attract blacks to managerial or professional posts. More likely to pay above the market rate are companies in the Midwest, those with the largest work forces, and capital goods concerns.

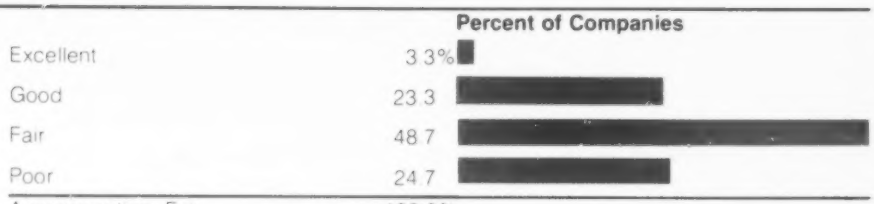
Major Problems in Recruiting Blacks



(Does not add to 100% due to multiple mentions)

The major problem reported by chief personnel executives in recruiting blacks for managerial or professional posts is the scarcity of blacks with appropriate education and/or experience. The small number of blacks with engineering degrees is a particular concern. Competition with more attractive environments is cited much less often by companies in the South, Southwest, and West.

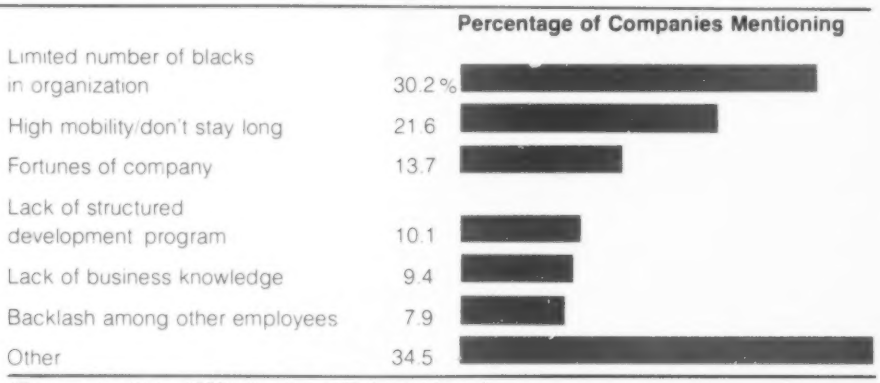
Rating of Company's Record in Developing Blacks as Executives



Average rating: Fair 100.0%

On average, the personnel executives rate their organizations' record in developing blacks as executives over the past 15 years as "fair" when compared with FORTUNE 500 companies as a whole. Billion dollar corporations, Midwest-based concerns, firms with the most employees, and consumer companies rate themselves highest.

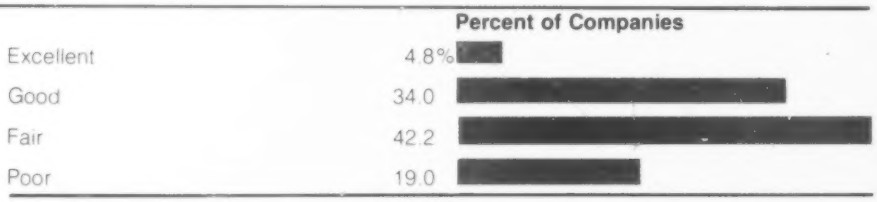
Major Problems in Developing Blacks


Percentage of Companies Mentioning
Limited number of blacks in organization 30.2%
High mobility/don't stay long 21.6
Fortunes of company 13.7
Lack of structured development program 10.1
Lack of business knowledge 9.4
Backlash among other employees 7.9
Other 34.5

(Does not add to 100% due to multiple mentions)

The most prevalent problem encountered by companies in developing blacks is the limited number already in the organizations. However, this was less of a problem for the billion dollar corporations and those with the largest work forces.

Rating of Company's Record in Retaining Blacks as Executives

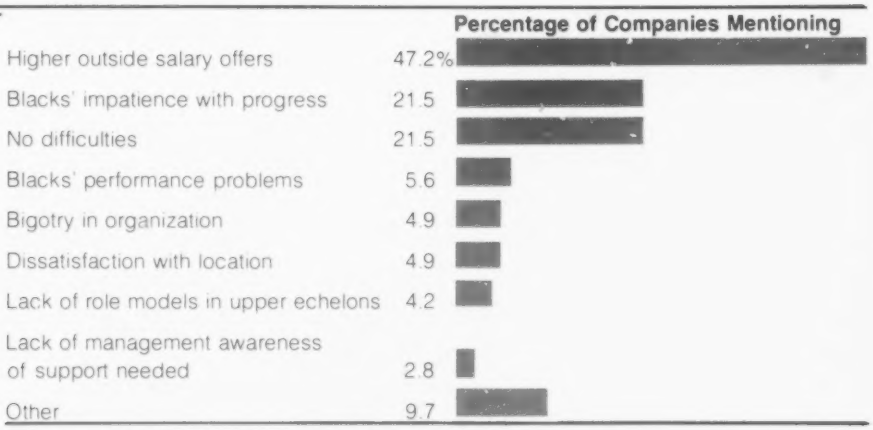


100.0%

Average rating: Fair

On average, respondents rate their performance in retaining black executives over the past decade and a half as "fair" when compared with the FORTUNE 500 companies as a whole. Billion dollar companies, Western-based firms, and organizations with the largest work forces rate themselves highest. Consumer and capital goods companies rate themselves equally in relation to retaining blacks.

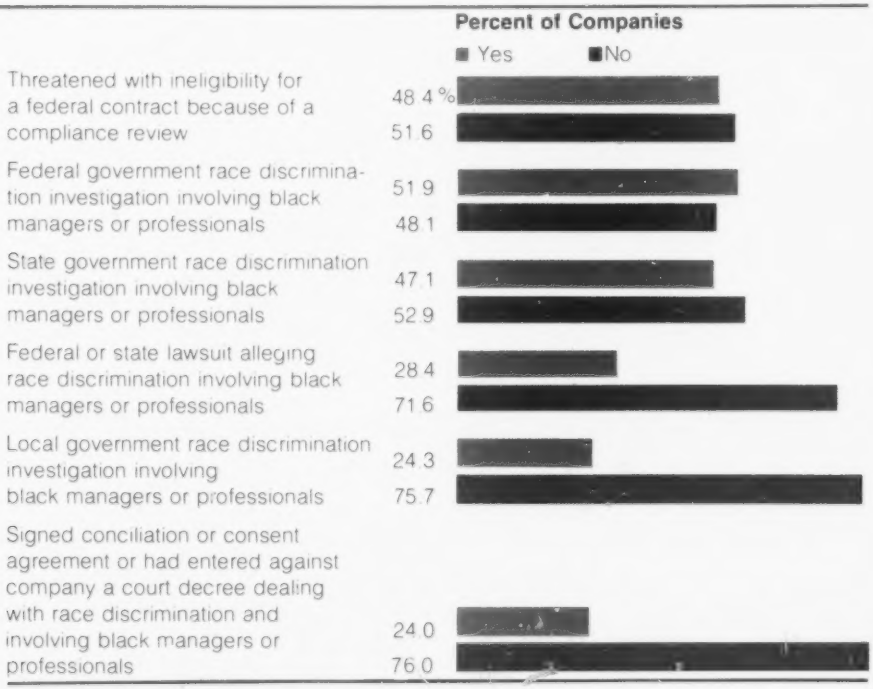
Major Problems in Retaining Blacks


Percentage of Companies Mentioning
Higher outside salary offers 47.2%
Blacks' impatience with progress 21.5
No difficulties 21.5
Blacks' performance problems 5.6
Bigotry in organization 4.9
Dissatisfaction with location 4.9
Lack of role models in upper echelons 4.2
Lack of management awareness of support needed 2.8
Other 9.7

(Does not add to 100% due to multiple mentions)

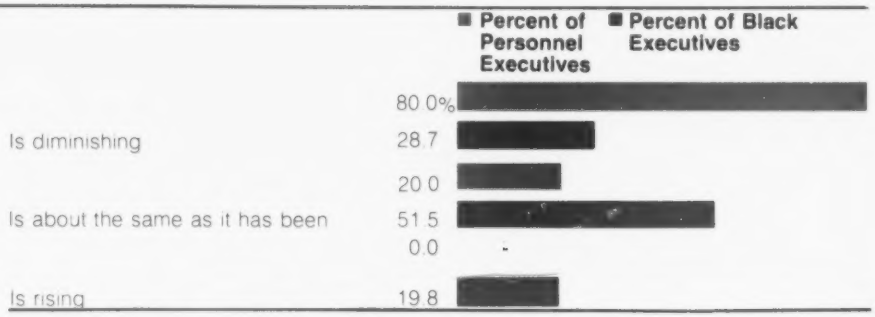
Higher outside salary offers represent the major problem companies have encountered in retaining blacks in managerial or professional posts. An equal number of companies reported no difficulties or the problem of blacks' impatience with their progress.

Government Action


Percent of Companies
Yes
No
Threatened with ineligibility for a federal contract because of a compliance review 48.4% 51.6
Federal government race discrimination investigation involving black managers or professionals 51.9 48.1
State government race discrimination investigation involving black managers or professionals 47.1 52.9
Federal or state lawsuit alleging race discrimination involving black managers or professionals 28.4 71.6
Local government race discrimination investigation involving black managers or professionals 24.3 75.7
Signed conciliation or consent agreement or had entered against company a court decree dealing with race discrimination and involving black managers or professionals 24.0 76.0

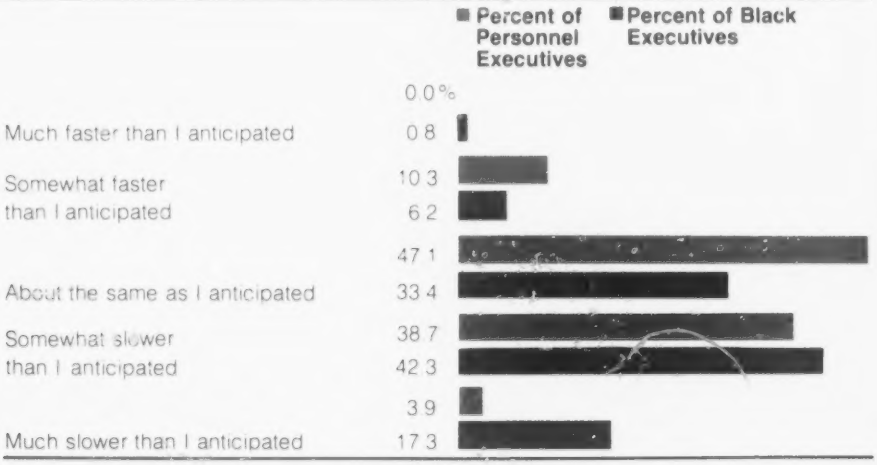
A federal race discrimination investigation is the only category of government action reported by a majority of the organizations. Usually, it is larger companies, those with more sizable work forces, and those with a consumer orientation which are targets of government action.

Feeling Regarding Racial Prejudice in Business



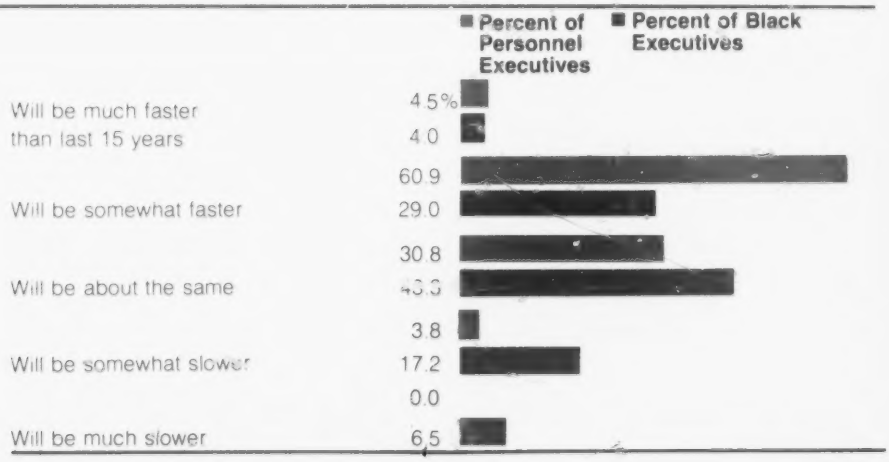
An overwhelming majority of the personnel executives feel that racial prejudice in business today is diminishing, but a slight majority of black executives in the firm's "Profile of a Black Executive" feel it is about the same as it has been.

Progress of Blacks Over the Past 15 Years



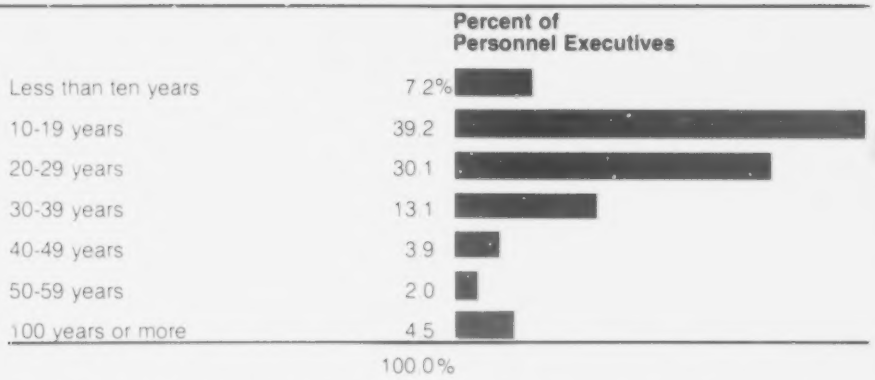
Personnel executives had lower expectations regarding the progress blacks would make in achieving executive positions in major American businesses during the past 15 years than did black executives themselves.

Anticipated Progress Over the Next 15 Years



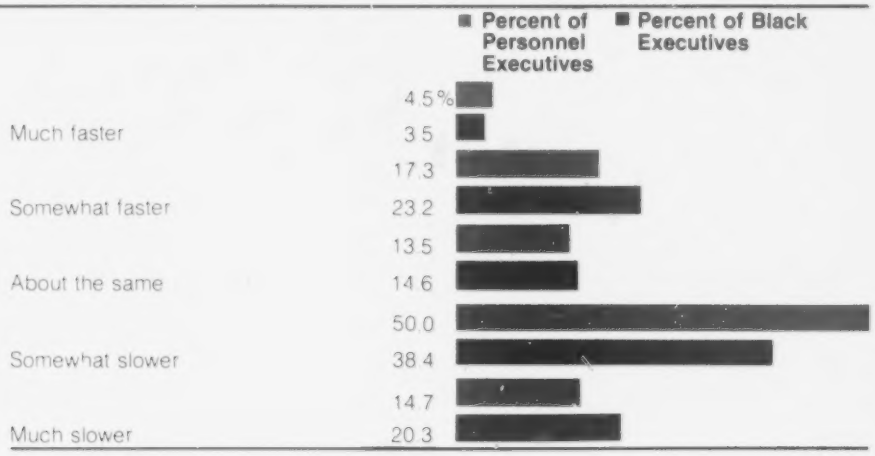
Black executives are much less optimistic about progress of their race over the next 15 years than are the chief personnel executives.

Time Required For Blacks to Achieve 12% of Managerial and Professional Posts



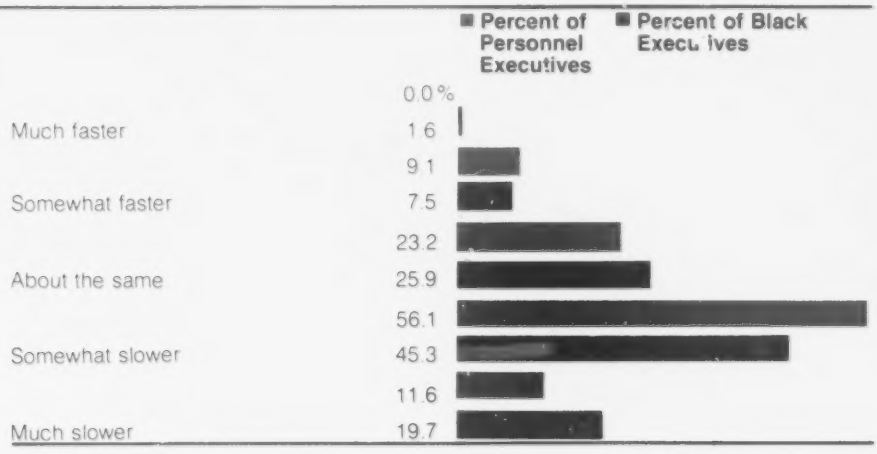
More than three quarters of the chief personnel executives believe blacks will hold 12 percent of managerial and professional slots in American business in less than 30 years. That 12 percent figure represents the present black proportion of the total U.S. population.

Progress of Blacks Over the Past 15 Years Compared with That of Women



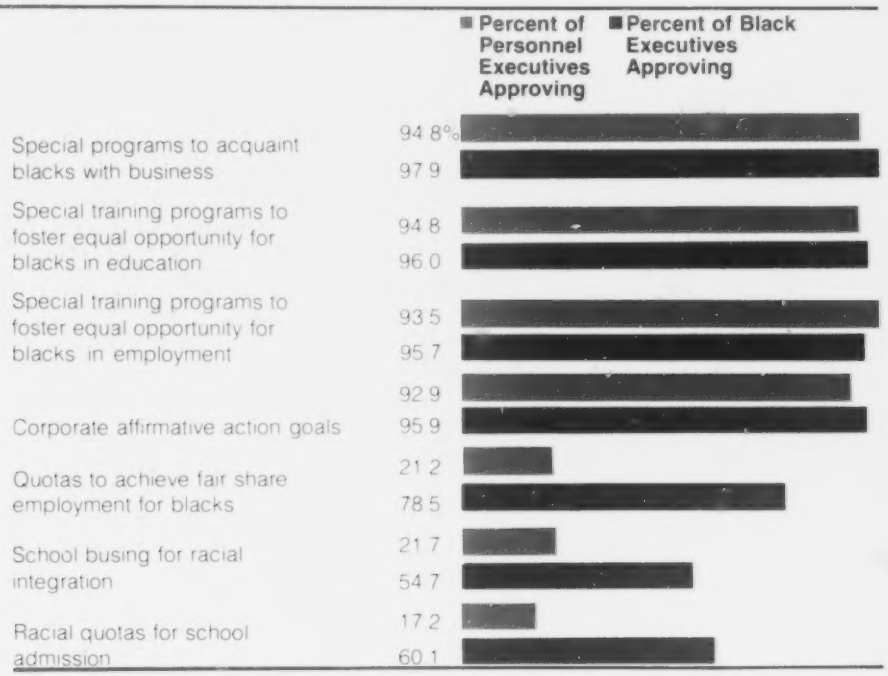
Interestingly, blacks are more encouraged than are personnel heads by the progress of blacks in achieving executive positions over the past 15 years when compared with that of women.

Anticipated Progress of Blacks Over the Next 15 Years Compared with That of Women



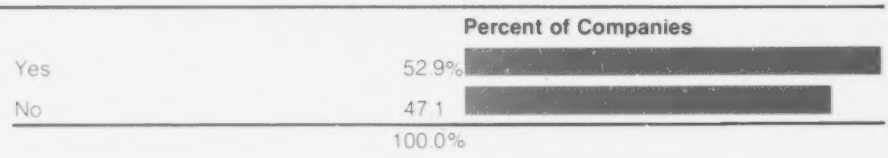
A greater similarity exists between personnel chiefs and black executives in forecasting the progress of blacks in achieving executive positions over the next 15 years when compared with that of women. Overall, however, blacks are far less sanguine about future progress compared with women than they are about that realized to this point.

Stand on Issues Affecting Blacks



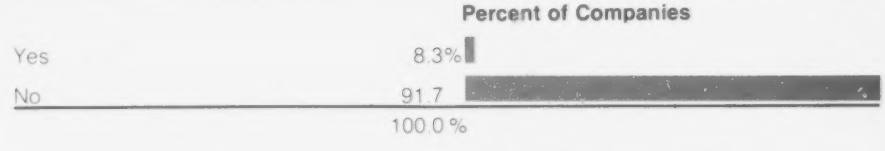
Not surprisingly, a larger proportion of blacks approve of seven issues affecting blacks than is true of personnel chiefs. However, three of the four business-related issues win overwhelming support from the personnel executives, including the concept of corporate affirmative action goals.

Affirmative Action Factored into Compensation



A slight majority of the participating companies rate a manager's or supervisor's achievement of affirmative action goals as a factor in reviewing his or her compensation. Such consideration is more likely to take place in billion dollar companies, in companies with larger work forces, and in consumer companies.

Change Caused by Weber Decision



More than nine out of ten executives report that the Weber decision of the Supreme Court will not cause any change in corporate efforts to achieve equal employment opportunity for minorities. Those who say change will result are unanimous in believing a stronger effort will be expended in behalf of affirmative action.

Publications

The firm's original research on trends in management is shared with the business community at large. A complete list of Heidrick and Struggles publications appears below. Single copies are available upon written request to our nearest office.

The Changing Board (1979 Update, 1978 Update, 1977)

Profile of the Board of Directors (1971, 1966)

Profile of a Chief Executive Officer (1977)

Profile of a President (1972, 1967, 1962)

President Profile, Bank and Bank Holding Company (1974)

Profile of a Bank President (1969, 1963)

Profile of a Woman Officer (1979, 1978, 1977)

Profile of a Black Executive (1979)

Chief Personnel Executives Look at Blacks in Business (1979)

Profile of a Chief Financial Officer (1975, 1970, 1965)

Profile of a Chief Personnel Executive (1977)

Profile of a Chief Marketing Executive (1976, 1971, 1966)

Profile of a Chief International Officer (1975, 1970)

Profile of a Chief Research and Development Executive (1978, 1973, 1968)

Profile of the Bank Chief Executive in Great Britain (1973)

Profile of the British Board of Directors (1972)

Profile of the Chief Financial Officer in Great Britain and His American Counterpart (1976)

Profile of a Canadian President (1973)

Profile of the European Chief Executive and His American Counterpart (1969)

Profile of the European Personnel Director (1976)

Profile of the Chief Executive Officer in Mexico (1977)

Profile of a Mobile Executive (1977)

Executrend—Measuring the Executive Market (originated in 1954, issued semi-annually)

Director Data—A report on outside director selection practices (originated in 1976, issued annually)

The Search For Management—Services of an Executive Recruiting Firm

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Profile of a Bank and Bank Holding Company Chief Executive Officer

Findings of a study of the chief executives of banks with deposits of $300 million or more and of the nation's 100 largest bank holding companies.

About Heidrick and Struggles

As one of the largest and most experienced management consulting firms specializing in executive search, Heidrick and Struggles has worked in all functions and within every major industry. Men and women sought in behalf of client organizations range from candidates for the board of directors and chief executive officers to middle management.

Heidrick and Struggles provides access to leading executive markets here and abroad through offices in major business centers around the world. The seasoned, skilled and sensitive men and women of the firm's professional staff have had extensive management experience prior to entering consulting. These search consultants welcome the challenge of developing optimum solutions to client problems. The staff is supported by the search industry's most extensive research and planning function, the product of more than 25 years of gathering and analyzing data on industries, companies within industries and both sources and prospects within companies.

About This Study

This is the fourth in a series of profiles of the banking industry that have been conducted by Heidrick and Struggles since 1963. The first and second studies were limited to the presidents of the nation's 300 largest banks. The 1974 study added presidents of the 100 largest bank holding companies. This year's study was mailed to chief executive officers, rather than presidents, of 341 American banks with deposits of $300 million or more as of December 31, 1978. Also surveyed were CEOs of 98 of the nation's 100 largest bank holding companies. (Two of the top holding companies in the most recent ranking had since been acquired by other organizations.) One hundred seventy seven of these executives, or 40 percent, responded in time to be included in the results.

As in past studies, the responses have been divided to reveal the influence of certain factors on the results. Where appropriate, the findings have been compared with results obtained in earlier banking studies.

Heidrick and Struggles is grateful to the chief executive officers who devoted their time to make possible the findings which follow.

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Brief Profile

The following emerges as a statistical profile of the chief executive officer of a major bank or bank holding company.

Present Position

Title:
At the bank he is president and chief executive officer. At the holding company he is chairman and CEO.

Most attention currently:
General management of his institution is his primary concern.

Most helpful experience:
Commercial banking was not only his route to the top, but the most helpful area to prepare him for the role as CEO.

Time allocation:
He spends 50 or more hours weekly on business and another seven or eight hours each week on civic and charitable affairs.

Compensation

Total cash compensation:
The bank CEO receives $100,000 to $149,999 in salary and bonus, while the holding company chief executive receives $200,000 to $299,999.

Perquisites:
He enjoys such perks as town and country club membership, an automobile and stock options.

Career Progress

Mobility:
He has had two employers.

Tenure:
The bank CEO has been with his present institution for 18 years, and his holding company counterpart for 13 years.

Years as CEO:
The bank CEO has held his position for seven years, and the holding company CEO for five and a half years.

Most extensive background:
The CEO rose through the ranks of commercial banking.

Personal

Age:
The bank chief executive is 53, while his holding company counterpart is 57.

Geographic mobility:
He still resides in the region of his birth.

Education

Undergraduate:
Liberal arts major.

Graduate:
MBA

The Future

In the decade of the Seventies, the chief executive became a more visible, public figure coping with increasing regulation and intensified domestic and foreign competition. He sees these pressures continuing in the Eighties, forcing him to plan more effectively. He intends to defend his institution from encroaching regulation and intensified competition, while containing costs to preserve profits.

Location

Leading banks and bank holding companies are broadly distributed geographically. The major shift from 1974 is an increase in Eastern-based holding companies, with a corresponding drop in the number located in the South.

Location	All Banks	Banks by Size			All Holding Companies
		$1 billion and over	$500 to $999MM	Under $500MM	
East	30%	26%	34%	31%	38%
Midwest	24	24	16	31	30
South/Southwest	34	32	32	36	21
West	12	18	17	2	11
	100%	100%	100%	100%	100%

Title

Chairman is the title of a majority of the CEOs at holding companies and billion-dollar banks, while the preponderance of those with smaller banks hold the title of president. Sixty-two percent of the bank CEOs report that their bank has a parent holding company. Of that group, 81 percent are officers of the parent and three fourths are directors.

Seventy-four percent of the holding company CEOs are chairman of the primary bank, while another 18 percent hold the title of president, and eight percent are chairman and president or vice chairman.

Title of CEO	All Banks	Banks by Size			All Holding Companies
		$1 billion and more	$500 to $999MM	Under $500MM	
Chairman	36%	63%	27%	23%	60%
Chairman and President	16	11	14	19	17
President	46	23	59	56	21
Other	2	3	—	2	2
	100%	100%	100%	100%	100%

Years as CEO

Just over half of the bank CEOs have held their present position for five years or less, compared to nearly seven in 10 of 1974's bank presidents. This increase in incumbency is even more pronounced among holding company CEOs. Fifty-four percent of them have held office for five years or less, compared to nearly nine in 10 in the previous study.

The chief executives of smaller banks have held office slightly longer than their counterparts at larger institutions.

Years as CEO	All Banks		Banks by Size (1979)			All Holding Companies	
	1974*	1979	$1 billion and over	$500 to $999MM	Under $500MM	1974*	1979
5 or fewer	69%	54%	62%	55%	46%	89%	54%
6 to 10	21	32	27	32	37	11	37
11 or more	10	14	11	13	17	—	9
	100%	100%	100%	100%	100%	100%	100%
Average	N/A	6.9	5.8	6.1	8.3	N/A	5.4

*Years as president

Career Mobility

The majority of the chief executives have had no more than two full-time employers during their business careers. Two thirds of the holding company chiefs have had fewer than three employers. CEOs with the largest banks are much more mobile than the presidents were five years ago. In 1974, 41 percent of those with only one employer were associated with billion dollar banks. CEOs of such large institutions now account for about one in five persons having had a single employer.

Holding company CEOs illustrate less mobility than was true of presidents in 1974. Thirty-four percent of today's CEOs have had three or more employers, compared to 38 percent in 1974.

Twenty-one percent of the bank chief executives have made no interorganizational moves, a decline of 15 percent from the 1974 study.

	All Banks		Banks by Size (1979)			All Holding Companies	
Number of Employers	**1974**	**1979**	**$1 billion and over**	**$500 to $999MM**	**Under $500MM**	**1974**	**1979**
One	36%	21%	19%	21%	23%	35%	33%
Two	31	37	44	48	27	27	33
Three	19	23	19	18	27	23	15
Four	8	11	5	5	17	9	13
Five or more	6	8	13	8	6	6	6
	100%	100%	100%	100%	100%	100%	100%
Average	N/A	2.5	2.5	2.3	2.6	N/A	2.3

More than one third of today's bank CEOs have been with their present institution for 10 years or less, contrasted with about one fourth of the bank presidents five years ago. The chief executives of banks have longer tenure with their institutions than is true of their holding company counterparts. The bank CEOs average 18 years, while the holding company chief executives average 13. This difference is attributable in part to the relatively recent formation of some of the holding companies in the study.

	All Banks		Banks by Size (1979)			All Holding Companies
Years with Present Employer	**1974**	**1979**	**$1 billion and over**	**$500 to $999MM**	**Under $500MM**	**1979**
5 or fewer	17%	22%	21%	21%	25%	14%
6 to 10	9	14	8	16	17	46
11 to 15	14	9	16	8	4	16
16 to 20	17	9	8	13	6	4
21 to 25	13	15	29	13	8	2
26 to 30	15	17	8	16	23	7
31 or more	15	14	10	13	17	11
	100%	100%	100%	100%	100%	100%
Average	N/A	18.1	17.7	17.4	18.8	13.3

The bank chiefs' 18-year tenure is four years less than the average of CEOs of the FORTUNE 500 industrials and 300 largest non-industrials surveyed in 1977.

Experience

Seventy-four percent of the bank chief executives rose to the top via commercial banking. In 1974, 68 percent of the bank presidents cited commercial banking as their route. No other area of past experience is cited as most extensive by more than seven percent of the bank CEOs. Non-banking experience is specified by 17 percent of the CEOs of billion dollar banks, but by less than 4 percent of the CEOs of smaller institutions.

Two thirds of holding company heads rose through commercial banking, 18 percent through other areas of banking and 15 percent from outside the industry.

Commercial banking was the overwhelming choice of both bank and holding company CEOs as most helpful experience. Seventy-two percent of the bank CEOs and 64 percent of those with holding companies cited commercial banking experience as most helpful. Marketing and business development experience, reported by 35% of bank CEOs, ranked second in importance, while branch management and operations/systems experience were ranked of nearly equal importance among bank chiefs.

Among holding company chief executives, commercial banking is followed in importance by experience in marketing and business development. Other experience, including that outside the banking industry, was cited as most helpful by nearly one fourth of the holding company participants.

Most Helpful Experience Before Becoming CEO	All Banks	Banks by Size			All Holding Companies
		$1 billion and over	$500 to $999MM	Under $500MM	
Commercial banking	72%	58%	76%	79%	64%
Marketing	35	37	32	35	34
Operations/systems	28	16	34	33	17
Branch management	26	26	21	31	24
Bank investments	17	5	21	23	6
Personal banking	12	3	21	14	11
Other	13	11	13	14	23

(multiple mentions, do not add to 100%)

Areas Demanding Most Attention

General management represents the area demanding the greatest attention from current participants as has been true in past studies. The only other area mentioned by more than half is planning, cited by 60 percent of the holding company CEOs and by nearly half of the bank chiefs. Commercial banking consumed more time of CEOs at smaller banks than of their counterparts at billion dollar institutions. Holding company CEOs more often mention acquisitions and regulatory concerns.

Planning and public and community relations require more time than ever before. But the list of demands continues to expand. This reflects the changing role of the chief executives, who now are concerned not just with operations but with the impact of governmental and societal pressures on their institutions.

Areas Demanding Most Attention	All Banks	Banks by Size			All Holding Companies
		$1 billion and over	$500 to $999MM	Under $500MM	
General management	79%	74%	87%	77%	83%
Planning	49	45	55	48	60
Commercial banking	34	26	40	35	13
Community and public relations	30	24	24	39	26
Marketing	17	13	13	23	4
Regulatory agencies	12	16	13	8	21
Acquisitions	9	5	13	8	23

(multiple answers, do not add to 100%)

Hours per Week

The increasing complexity and demands of corporate leadership are reflected in the hours chief executives devote to managing their institutions. Fifty-three percent of those with holding companies and 36 percent of those with banks spend 60 or more hours. The holding company CEOs average 55 hours per week, while the bank chiefs average 54 hours. Chief executive officers of the FORTUNE 500 industrials and 300 non-industrials surveyed in 1977 averaged 60 hours. Time devoted to work rises with size of the institution; the most time (56 hours/week) is required of CEOs at billion dollar banks.

Thirty-six percent of the bank CEOs devote 60 or more hours, compared to 32 percent of the presidents in 1974. Fifty-three percent of the holding company chiefs report working 60 or more hours weekly, compared to only 26 percent of the holding company presidents five years ago.

Bank and holding company officers have historically been deeply involved in community affairs. This year's CEOs average just over seven hours weekly in such activities, with chiefs at the very largest banks spending eight hours. In spite of their responsibilities, the holding company CEOs devote slightly more time to community and charitable organizations than do their bank counterparts.

Hours Worked per Week	All banks		Banks by Size (1979)			All Holding Companies	
	1974	1979	$1 billion and more	$500 to $999MM	Under $500MM	1974	1979
40-49	13%	21%	16%	21%	23%	18%	17%
50-59	55	43	37	53	40	56	30
60-69	25	32	40	24	35	21	46
70 or more	7	4	8	3	2	5	7
	100%	100%	100%	100%	100%	100%	100%
Average work hours/week	N/A	54	56	53	53	N/A	55
Ave. community service hours/week	N/A	7	8	6	7	N/A	7

Number of Outside Directorships

The increasing demands of managing their own institutions and the spectre of conflicts of interest have combined to minimize outside directorships held by surveyed chief executives. Just over half of the bank CEOs serve on two or more outside boards, while nearly three fourths of the holding company chief executives are on two or more outside boards. However, in 1963 the majority of presidents at the nation's 300 largest banks were members of four or more outside boards, and 20 percent served on seven or more.

The CEOs of holding companies and billion dollar banks are more likely to serve on outside boards than are chiefs of smaller organizations. However, the proportion of bank chief executives holding no outside board posts continues to rise at institutions of all sizes. Forty-four percent of the bank CEOs report they are now on fewer boards than five years ago, while 49 percent of those with holding companies still serve on the same number of boards.

Number of Outside Directorships	All Banks		Banks by Size (1979)			All Holding Companies	
	1974	1979	$1 billion and more	$500 to $999MM	Under $500MM	1974	1979
None	21%	32%	28%	32%	33%	17%	11%
One	16	17	14	16	20	11	18
Two	22	15	14	14	17	23	29
Three	17	11	3	14	16	14	18
Four or more	24	25	41	24	14	35	25
	100%	100%	100%	100%	100%	100%	100%
Average	N/A	2.2	2.6	2.1	1.9	N/A	2.4

Changes During the Seventies

Participants cite six primary ways in which the role of the chief executive officer changed during the Seventies from the previous decade. More regulatory pressure and more direct involvement in bank management were listed by more than four in ten of the holding company CEOs, while regulatory pressure is cited by a majority of the bank chiefs. Five years ago, approximately one fourth of the bank and bank holding presidents predicted that most of the pressure for change would come from federal regulations, the continued growth of bank holding companies and increased competition from thrift institutions. Such pressures have prompted the chief executives of both banks and holding companies to become more involved in government interface and to intensify their direct involvement in bank management.

The bank chief executives' perception of how their role changed varies by size of institution. Competitive pressure was a significant factor for those with the smallest banks, while representatives of larger institutions felt more impact from non-competitive factors.

	All Banks	Banks by Size		
Factors that Increased		**$1 billion and over**	**$500 to $999MM**	**Under $500MM**
Regulatory pressure	57%	59%	59%	52%
Planning required	30	36	35	24
Social and political responsiveness	23	36	24	14
Competition	20	5	6	41
Direct bank management involvement	13	14	18	10
Personnel management demands	12	18	12	7

(multiple answers, do not add to 100%)

Anticipated Changes in the Eighties

Surveyed chief executives anticipate the coming decade will bring a continuation of present trends, rather than dramatic changes. Many foresee their role increasingly concerned with long range and strategic planning, together with regulatory pressures. While a significant number anticipate getting more directly involved in the political process, such involvement is specified most frequently by holding company CEOs.

Many foresee concentrating on controlling costs and maintaining profitability rather than concerning themselves with expansion. The chiefs view increasing regulation as limiting the number of competitive options open to the banks and bank holding companies, thus forcing them to improve their existing operations while intensifying planning efforts to anticipate rather than react to change.

	All Banks	Banks by Size			All Holding Companies
Factors to Increase		**$1 billion and over**	**$500 to $999MM**	**Under $500MM**	
Planning	44%	48%	37%	46%	35%
Regulatory changes	30	26	37	29	25
Involvement in regulatory process	21	35	11	17	45
Competition	18	13	32	14	5
Social and political awareness	17	30	11	9	15
Personnel management	17	22	16	14	10
Responsiveness to changing environment	15	13	21	14	10
Foreign competition	8	13	—	9	5
Interstate banking	6	9	—	9	10

(multiple answers, do not add to 100%)

Total Cash Compensation

Predictably, the increasing complexity of banking and resulting competition for top executive talent have increased the compensation levels of bank and holding company CEOs. Nearly two thirds of the CEOs of billion dollar banks earn $150,000 or more. As would be expected, those CEOs with the largest banks have higher compensation levels; no CEO of a bank with deposits under $500 million earned as much as $150,000. In the 1974 survey of bank and bank holding company presidents, 54 percent of those with holding companies and 78 percent of those with banks reported total cash compensation of less than $100,000.

	All Banks	Banks by Size			All Holding Companies
Total Cash Compensation		**$1 billion and over**	**$500 to $999MM**	**Under $500MM**	
Under $70,000	5%	3%	3%	10%	—
$70,000-99,999	25	—	24	43	—
$100,000-149,999	44	32	55	47	11%
$150,000-199,999	17	47	8	—	24
$200,000-299,999	6	13	8	—	46
$300,000 and over	2	5	3	—	20
	100%	100%	100%	100%	100%

Perquisites

Town and country club memberships and a company car are the only perquisites received by a majority of CEOs, and the proportion accorded town club memberships and stock options has declined since the 1974 survey of bank and holding company presidents. CEOs of holding companies and billion dollar banks are more likely to receive performance shares than are their counterparts at banks with deposits under $1 billion. Nearly twice as many CEOs of banks with deposits of $500 million or more report having a management contract as do CEOs of those with the smaller banks or holding company chiefs.

	All Banks		Banks by Size (1979)			All Holding Companies	
Perquisites	**1974**	**1979**	**$1 billion and over**	**$500 to $999MM**	**Under $500MM**	**1974**	**1979**
Automobile	69%	84%	82%	92%	80%	72%	59%
Town club membership	82	72	71	77	69	83	78
Country club membership	70	72	71	68	74	64	65
Stock options	48	45	66	29	39	59	57
Management contract	N/A	13	16	16	8	N/A	9
Performance shares	N/A	9	16	5	8	N/A	15
Automobile with driver	20	6	13	5	2	19	30
Financial counseling	4	3	3	3	4	3	9
Tax shelter opportunities	2	2	—	5	2	3	2
Town apartment	2	1	3	—	—	2	2

(multiple answers; do not add to 100%)

Age

The majority of holding company CEOs and their bank counterparts are in their fifties. On average, holding company chief executives are the oldest, and those with the smaller banks, the youngest. At 57, the average age of holding company CEOs is five years more than that of holding company presidents surveyed in 1974. The bank CEOs average 53 years, two years senior to bank presidents surveyed five years ago. This reverses a long-term decline in the age of bank presidents. The average age of CEOs among the FORTUNE 500 industrials and 300 non-industrials surveyed in 1977 was 57.

	All Banks		Banks by Size (1979)			All Holding Companies	
Age	1974	1979	$1 billion and more	$500 to $999MM	Under $500MM	1974	1979
30-39	4%	3%	3%	3%	4%	6%	—
40-49	37	29	18	39	31	33	13%
50-59	51	54	61	50	52	43	60
60 or older	8	14	18	8	13	18	27
	100%	100%	100%	100%	100%	100%	100%
Average age	51	53	55	52	52	52	57

Education

Ninety-one percent of the holding company CEOs are college graduates, as are 86 percent of the bank chiefs. Chief executives of billion dollar banks have the highest educational credentials: 45 percent hold an advanced degree and another 21 percent have done some post graduate study. An MBA is by far the most popular graduate degree. Fifty-five percent of the bank CEOs and one third of the holding company chiefs with a graduate diploma hold an MBA. Liberal arts is the undergraduate major of approximately 51 percent of the CEOs. Business majors make up about one third of the total, while sciences account for the remainder.

Harvard far surpasses all other colleges and universities in number of degrees awarded bank and bank holding company chief executive officers. The same was true in past banking studies. Thirty-one percent of the holding company CEOs and 16 percent of the bank chief executives are Harvard alumni.

	All Banks		Banks by Size (1979)			All Holding Companies	
Highest Educational Attainment	1974	1979	$1 billion and over	$500 to $999MM	Under $500MM	1974	1979
High School	3%	5%	3%	—	10%	2%	—
Attended college, no degree	12	9	8	14%	4	12	9%
Bachelors degree	41	30	24	30	35	35	49
Attended graduate school, no degree	16	23	21	22	25	14	13
Advanced degree	28	34	45	35	27	37	30
	100%	100%	100%	100%	100%	100%	100%

Publications

The firm's original research on trends in management is shared with the business community at large. A complete list of Heidrick and Struggles publications appears below. Single copies are available upon written request to our nearest office.

The Changing Board (1979 Update, 1978 Update, 1977)

Profile of the Board of Directors (1971, 1966)

Profile of a Chief Executive Officer (1977)

Profile of a President (1972, 1967, 1962)

Profile of a Bank and Bank Holding Company Chief Executive Officer (1980)

President Profile, Bank and Bank Holding Company (1974)

Profile of a Bank President (1969, 1963)

Profile of a Woman Officer (1979, 1978, 1977)

Profile of a Black Executive (1979)

Chief Personnel Executives Look at Blacks in Business (1979)

Profile of a Chief Financial Officer (1975, 1970, 1965)

Profile of a Chief Personnel Executive (1977)

Profile of a Chief Marketing Executive (1976, 1971, 1966)

Profile of a Chief International Officer (1975, 1970)

Profile of a Chief Research and Development Executive (1978, 1973, 1968)

Profile of the Bank Chief Executive in Great Britain (1973)

Profile of the British Board of Directors (1972)

Profile of the Chief Financial Officer in Great Britain and His American Counterpart (1976)

Profile of a Canadian President (1973)

Profile of the European Chief Executive and His American Counterpart (1969)

Profile of the European Personnel Director (1976)

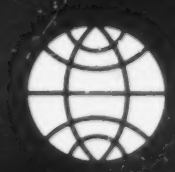
Profile of the Chief Executive Officer in Mexico (1977)

Profile of a Mobile Executive (1977)

Executrend—Measuring the Executive Market (originated in 1954, issued semi-annually)

Director Data—A report on outside director selection practices (originated in 1976, issued annually)

The Search For Management—Services of an executive recruiting firm



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Profile of a Woman Officer

1980

10/14/80 B 4490-2.5

Heidrick and Struggles, Inc.

Consultants in Executive Search

About this study

This is the fourth annual study of women who hold officer rank at the corporate level of America's largest industrial and non-industrial organizations. Those included are employed by the nation's 1000 leading industrials and 50 leading banking, diversified financial, insurance, retailing, transportation, and utility companies. No women with only subsidiary, division or unit level titles are participants.

The mail survey did not require identification of respondents. Three hundred twelve of the 497 officers elected to respond; of these, 255 or 51 percent of the total replied in time to be represented in the analysis. As was the case in prior studies, participants proved to be comparable to the total population in terms of identifiable factors: title, location, and type of employer.

Once again, respondents have been categorized by economic background, age, education and degree of support for major issues relating to women and work to reveal the impact of these factors on participants' answers. In certain instances, current results have been compared with prior studies of women officers, as well as national surveys conducted by Heidrick and Struggles of senior-level executives (of whom slightly more than one percent are women) and black executives (of whom roughly ten percent are female). The senior executives are 4,158 individuals who assumed vice presidential or higher positions in major companies during 1979. The 638 blacks are managers and professionals earning at least $20,000 in organizations of varying size.

Heidrick and Struggles is deeply appreciative of the time and attention contributed by the women officers who made this survey possible.

About Heidrick and Struggles

For more than a quarter century, Heidrick and Struggles has devoted its full resources to helping client organizations in all major industries to locate, evaluate and attract the highest caliber executive talent. Men and women sought in behalf of client companies range from candidates for the board of directors and chief executive officer's post to middle management.

As one of the oldest and largest firms devoted exclusively to executive search, Heidrick and Struggles provides access to leading executive markets around the world through 10 domestic and nine international offices. The firm's seasoned consultants are supported by the search industry's most comprehensive research and planning operations, the product of more than 25 years of meeting clients' needs for superior performers.

The typical officer

The average woman officer of 1980 is married, under 50 years of age, has at least one degree, spent her childhood in low income or lower middle class circumstances, and earns cash compensation of less than $50,000 from her non-industrial employment.

Fully 98.8 percent of the 1980 women officers are non-Hispanic whites. All minorities constitute 1.2 percent of the group. Nearly six in ten (58.2 percent) of the women are Protestant, 26.1 percent are Roman Catholic, and 8.9 percent Jewish. The remaining 6.8 percent claim another or no religion.

The number of women officers continues to grow, although the pace has slackened in an unfavorable economic climate. The total advanced to just 497 from 485 a year ago, 416 in 1978 and 325 in 1977. However, the proportion of participants with titles of vice president or higher and substantial compensation is greater than ever before.

Title

The proportion of women officers who have attained the title of vice president or above continues to advance, standing at 28.0 percent currently compared with 25.5 percent a year ago. However, the majority of survey participants continue to be found in corporate secretary and assistant secretary positions.

Sixty-two percent of the women are associated with industrial companies and the remaining 38 percent with non-industrials. Since the survey includes 1,000 industrial companies and only 300 non-industrial firms, the incidence of women officers among the non-industrials is substantially greater. One woman officer is found among each 1.6 non-industrials compared with every 3.3 industrials.

Title	1980	1979
Chairman, vice chairman, president	0.8%	1.4%
Group vp, senior vp, and vice president	27.2	24.1
Second vice president	2.6	2.5
Assistant vice president	5.3	7.0
Secretary	14.1	11.5
Assistant secretary	37.0	39.5
Treasurer	1.8	1.2
Assistant treasurer	5.4	6.8
Other	5.8	6.0
	100.0%	100.0%

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Compensation

More than six out of 10 women officers earn less than $50,000 in cash compensation. Indeed, nearly three out of 10 may be found in the $20,000-$29,999 bracket. However, one in five is making $70,000 or more, and the proportion of top earners—those with six-figure incomes—has advanced to almost one in 11.

Age does not impact compensation importantly, although those under 40 have not had sufficient time to reach the monetary rewards obtained by their older counterparts. A far more significant consideration is education. More than seven in 10 of those lacking a bachelor's degree are earning less than $50,000. In contrast, only 44 percent of those with at least one degree may be found in this category. Similarly, only 15 percent of the less educated are earning $70,000 or more, while more than twice as many of the college graduates are paid this well.

Base and bonus	Total	By age			By education	
		Under 40	40-49	50 or over	No degree	One degree or more
Less than $20,000	4.7%	6.6%	4.4%	3.1%	6.2%	2.7%
$20,000-29,999	28.2	28.5	25.0	30.2	34.0	14.2
$30,000-39,999	14.5	16.5	13.2	13.5	16.0	12.2
$40,000-49,999	14.1	11.0	11.8	18.8	14.8	14.9
$50,000-59,999	11.4	14.3	13.2	7.3	8.0	15.5
$60,000-69,999	7.1	9.9	4.4	6.3	6.2	9.4
$70,000-79,999	5.5	5.5	3.0	7.3	3.1	7.4
$80,000-89,999	3.5	3.3	5.9	2.1	4.3	5.4
$90,000-99,999	2.4	—	4.4	3.1	1.2	4.1
$100,000 or more	8.6	4.4	14.7	8.3	6.2	14.2
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Perquisites

The medical examination is the perquisite most widely held by women officers, with extra life insurance holding second rank. The number of women gaining perks advances with age and education. The proportion of women receiving no major perquisites has declined from 20 percent in 1977 to 14 percent and 13 percent in more recent years to the current 8.7 percent. However, only three of 12 perks are held by a majority of all women officers even now.

Perquisites	Total	By age			By education	
		Under 40	40-49	50 or over	No degree	One degree or more
Medical examination	62.6%	57.1%	60.3%	69.5%	56.7%	66.2%
Extra life insurance	51.2	45.1	52.9	55.8	50.0	52.0
Stock options	50.4	41.8	52.9	56.8	45.2	54.7
Stock purchase plan	30.3	30.8	30.9	29.5	29.8	31.1
Automobile	24.4	28.6	30.9	15.8	20.2	27.7
Deferred compensation	19.3	19.8	17.6	20.0	11.5	25.0
Club membership	15.7	14.3	14.7	17.9	10.6	19.6
Financial counseling	11.0	6.6	13.2	13.7	8.7	12.2
Performance shares	10.6	13.2	11.8	7.4	3.8	15.5
Low-cost loans	8.3	15.4	4.4	4.2	9.6	7.4
Management contract	2.4	1.1	5.9	1.1	1.0	3.4
Vacation retreat	2.0	4.4	—	1.1	1.9	2.0
None	8.7	12.1	8.8	5.3	11.5	6.8

(Results do not add to 100% due to multiple responses)

Base location

The proportion of women officers in the East has risen at the expense of the Midwest. Since 36 percent of the employer companies are in the East and 33 percent in America's heartland, organizations in the East prove far more likely to elevate females to corporate officer rank.

The South and Southwest, where 19 percent of the firms are domiciled, also lags in survey representation, while the West—with 12 percent of the companies—proves a leader in the promotion of women.

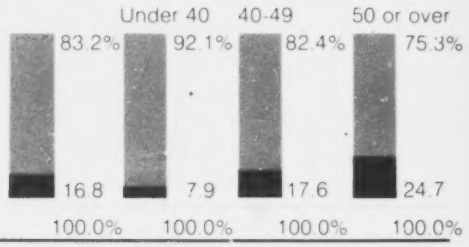
Base location	1980	1979
East	45%	40%
Midwest	25	29
South and Southwest	16	15
West	14	16
	100%	100%

Career continuity

More than eight out of 10 women officers have been employed continuously throughout their careers, although the remainder have experienced interruptions due to family or homemaking responsibilities. More than three out of four (77.6 percent) of the women currently married have had uninterrupted careers, as have nearly as many (74.6 percent) of those now divorced, separated or widowed.

The most significant differences are evident by age grouping. While only three-quarters of the women 50 and over have worked continuously, 82.4 percent of those in their forties have. Even more (92.1 percent) of those under 40 have never experienced a break in their careers.

Career continuity



Number of employers

As was the case in prior studies, this year's woman officer has averaged three different full-time employers. This same rate of interorganizational mobility has been reported by senior level executives, almost all of whom are male, and by black executives earning $20,000 or more, of whom 90 percent are male.

The women officers characteristically have either very short or very long tenure with their present employers. More than one in four (26.3 percent) have less than six years' service, although 22 percent have chalked up 26 years of more. Those who are feminist in their orientation, college graduates or from more prosperous circumstances are less likely to collect quarter century service pins.

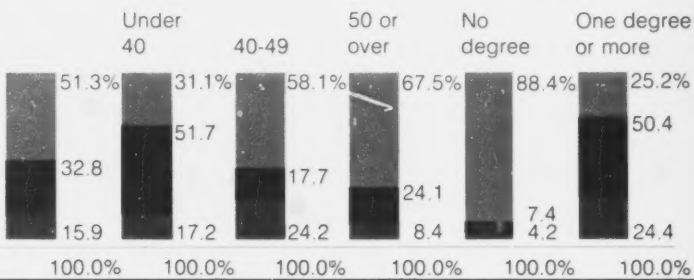
Number of employers	1980 Women officers	Senior officers	Black executives
1	18.1%	18.9%	14.2%
2	23.0	25.9	23.7
3	20.2	23.0	27.8
4	17.7	17.0	17.7
5 or more	21.0	15.2	16.6
	100.0%	100.0%	100.0%

First position with present company

In total, slightly more than half of today's women officers joined their present employer in a clerical capacity. However, younger women are much more likely to have begun their tenure as professionals or managers. Nearly eight out of ten women lacking a degree joined their companies in a clerical post, while only a quarter of the college educated did.

The vast majority of the 1980 officer crop (68.9 percent) obtained their present positions through promotion. Another 18.9 percent joined the post through direct contact with the company. Executive recruiters and direct contact proved much more important among the more highly educated and those under age 50.

First position with present company



Hours per week devoted to work

As a group, women officers average 50 or fewer hours per week on company business. However, the more highly compensated individuals work longer hours with one in five of those at the $50,000 level spending a minimum of 60 hours every seven days on work.

The time devoted by the best paid women compares favorably with the total expended by senior officers whose average income amounts to $134,500.

Marital status does not appear to impact importantly the amount of time devoted to work. Indeed, 31.1 percent of those currently married are working more than 50 hours, compared with 29.4 percent of the never married.

Their other responsibilities leave women officers little time for community service affairs. Almost half (47 percent) report no involvement in civic or charitable organizations, while another 37.2 percent allocate just one to two hours per week to such affairs.

Hours per week devoted to work	1980 Women officers				Senior officers
	Total	By compensation			
		Less than $30,000	$30,000-$49,999	$50,000 or more	
40 or less	11.8%	27.4%	9.7%	35.7%	7.7%
41-50	54.3	63.1	69.5	43.9	43.8
51-60	25.6	8.3	20.8	20.4	38.5
More than 60	8.3	1.2			10.0
	100.0%	100.0%	100.0%	100.0%	100.0%

Degree of satisfaction with career progress

Almost eight out of 10 women officers evidence a very high or high degree of satisfaction with their career progress. The degree advances with income level, with half of those who earn at least $50,000 reporting the highest level of satisfaction.

The degree of satisfaction characterizing the best paid women exceeds that declared by senior officers of major corporations, even though the latter group enjoys substantially larger compensation.

Degree of satisfaction with career progress	1980 Women officers				Senior officers
	Total	By compensation			
		Less than $30,000	$30,000-$49,999	$50,000 or more	
Very high	32.7%	16.7%	27.8%	50.0%	40.9%
High	47.2	50.0	48.6	43.9	50.0
Average	18.5	30.9	20.8	6.1	8.5
Low	0.8	1.2	1.4	—	0.6
Very low	0.8	1.2	1.4	—	—
	100.0%	100.0%	100.0%	100.0%	100.0%

Degree of satisfaction with content of work

Nearly seven out of 10 women officers feel that work and pleasure are one, or that work affords above average pleasure. The level of pleasure escalates with income received; nearly a quarter of those in the top income bracket believe work and pleasure are one.

Undoubtedly, the better paying positions are less routinized and permit a greater degree of self-actualization. The pleasure reported by top paid women is analogous to that attained by senior officers from their work.

Degree of satisfaction with content of work	1980 Women officers				Senior officers
	Total	By compensation			
		Less than $30,000	$30,000-$49,999	$50,000 or more	
Work and pleasure are one	15.4%	12.0%	6.9%	24.5%	20.5%
Work affords above average pleasure	53.9	43.4	61.6	57.1	65.1
Work affords average pleasure	23.2	30.1	28.8	13.3	10.3
Work affords below average pleasure	1.2	—	2.7	1.0	1.3
Work and pleasure are separate and distinct	6.3	14.5	—	4.1	2.8
	100.0%	100.0%	100.0%	100.0%	100.0%

Willingness to move to new position

Fewer than one in five of the women officers intends to stay in her present position for the remainder of her career. This proportion advances with age, of course. Of those 50 years and over, 41.7 percent anticipate retiring out of their present posts.

The level of expectation rises with compensation and education. More than half of the college educated, for example, plan to move to another organization if blocked from advancement with their present employer.

The willingness to remain blocked is even less among black executives than among women officers. Almost 58 percent would move to another organization if necessary to avoid that fate, although only 37.2 percent of the women would.

Willingness to move to new position	1980 Women officers						Black executives
	Total	By compensation			By education		
		Less than $30,000	$30,000-49,999	$50,000 or more	No degree	Degreed	
Stay in present position	18.9%	21.7%	17.8%	17.5%	26.9%	13.6%	12.1%
Advance to higher level in same organization	43.9	45.8	43.8	42.3	57.7	33.3	30.1
Move to another organization if blocked	37.2	32.5	38.4	40.2	15.4	53.1	57.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Willingness to move to new geographic location

Despite the well publicized inability of women to relocate geographically, only 12.6 percent of the women officers describe themselves as impossible to move. However, more than half of the group term themselves as reluctant to do so. The number in the cannot move category is greatest among the married (18.5 percent), those earning less than $30,000 currently (21.4 percent) and those 50 or over (23.2 percent). On average, those with a low feminist stance and lacking a degree are less mobile than their counterparts.

Black executives (90 percent male) are typically more willing to move to a new geographic location than are women officers.

Willingness to move to new geographic location	1980 Women officers						Black executives
	Total	By feminist stance		By education			
		Low	High	No degree	One degree or more		
▪ Eager to move	3.2%	1.3%	3.9%	1.9%	4.1%		4.0%
▪ Willing to move	31.6	24.0	34.8	28.6	34.3		58.3
▪ Reluctant to move	52.6	53.4	52.3	51.4	52.7		34.7
▪ Impossible to move	12.6	21.3	9.0	18.1	8.9		3.0
	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%

Age

The age distribution of women officers by marital status demonstrates the growing acceptance of combining marriage and a career. As might be expected, younger women are more likely to be supportive of women's issues than are their older counterparts.

Younger women are more highly educated than their older sisters, and are more likely to have been employed without interruption. Consequently, compensation does not correlate closely with age. Nearly the same percent of women 55 and over is found in each earnings bracket.

Age	Total	By marital status			By feminist stance		By education	
		Married	Widowed, divorced, separated	Never married	Low	High	No degree	Degreed
Under 30	5.9%	5.9%	5.0%	6.7%	1.3%	7.8%	1.0%	9.5%
30-34	13.0	16.0	18.3	4.0	2.6	17.2	4.8	18.9
35-39	16.9	21.0	13.3	13.3	10.7	19.4	13.3	19.6
40-44	12.9	17.6	11.7	6.7	6.7	15.6	11.4	14.2
45-49	13.7	10.1	11.7	20.0	21.3	10.6	17.1	10.8
50-54	14.1	10.9	13.3	20.0	18.7	12.2	19.0	10.1
55 and over	23.5	18.5	26.7	29.3	38.7	17.2	33.4	16.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Economic circumstances of childhood

More than half of the women officers describe the economic circumstances of their upbringing as lower middle class; in all, 63.8 percent term their origins as less advantaged.

The advantages of more prosperous origins are reflected in the education and compensation attained by women officers. Although representing only 36.2 percent of all women officers, those upper middle class and wealthy as children constitute a majority of the degree holders. What is more, those from advantaged beginnings now hold most of the positions paying $50,000 or more.

Economic circumstances of childhood	Total	By compensation			By education	
		Less than $30,000	$30,000-$49,000	$50,000 or more	No degree	One degree or more
Low income	11.4%	16.7%	11.0%	7.2%	21.0%	4.8%
Lower middle class	52.4	60.7	57.5	41.2	65.7	43.5
Upper middle class	35.0	22.6	30.1	49.5	13.3	49.7
Wealthy	1.2	—	1.4	2.1	—	2.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Highest educational attainment

More than one in four of the women officers possesses a graduate degree. These advanced degree holders constitute nearly half (48.5 percent) of those earning $50,000 or more.

The women officers are more highly educated than either of their parents. Their level of academic attainment lags that of black executives and of senior officers. However, the record of the top earners among the women is similar to that recorded by the blacks and upper-echelon executives.

As early evidence of their achievement orientation, three-quarters of the women officers report having posted a B+ average or better during undergraduate years. In addition, a comparable number engaged in extra-curricular activities at an average or above average rate of involvement. Today's top earners among the women officers not only outperformed their counterparts academically, but also in a majority of cases had an above-average involvement in activities.

Highest educational attainment	Women officers	Their fathers	Their mothers	Black executives	Senior officers
High school or less	13.0%	57.5%	69.0%	14.9%	7.7%
Attended college	28.5	13.1	15.9	N/A	N/A
College graduate	22.1	13.5	11.5	19.5	45.1
Graduate study	9.9	2.4	2.4	26.7	N/A
Graduate degree	26.5	13.5	1.2	38.9	47.2
	100.0%	100.0%	100.0%	100.0%	100.0%

Most helpful credential to woman launching her career

The women officers were asked which credential would prove most helpful in accelerating the career progress of a woman now launching her career: a CPA certificate, a law degree or a master's in business administration. Nearly six in 10 selected the MBA, although 17 percent declined to choose. The MBA proved to be an even more popular alternative among those women earning $50,000 or more.

Most helpful credential to woman launching her career	Total	By compensation		
		Less than $30,000	$30,000-49,999	$50,000 or more
CPA only	10.3%	13.4%	9.6%	8.3%
JD only	8.8	3.7	13.7	9.4
MBA only	59.0	57.3	57.6	61.5
CPA+MBA	1.2	—	2.7	1.0
JD+MBA	1.6	1.2	1.4	2.1
CPA+JD+MBA	2.0	1.2	2.7	2.1
Don't know	17.1	23.2	12.3	15.6
	100.0%	100.0%	100.0%	100.0%

Marital status

Marital status does not impact the monetary success women attain in their careers, despite the added responsibilities imposed by marriage and child care. The distribution of women in the top earning category is approximately the same as that among all women officers with one exception. Divorcees who have remarried are under-represented in the $50,000 and over group.

The marital make-up of the women officers is very different from the almost exclusively male senior officer group. Only a handful of the senior officers have remained unwed, and a far smaller percentage has been divorced.

Of the women officers who have taken spouses, the largest group (64.2 percent) were in their twenties at the time of their first marriage. Another 24 percent were teen-agers. A slight majority of those who have married (50.8 percent) are mothers. Nearly half report the age of the youngest child as 20 or older. However, 24.2 percent of the women have youngsters 12 or younger.

Marital status	1980 Women officers				Senior officers
	Total	By compensation			
		Less than $30,000	$30,000-$49,999	$50,000 or more	
Single, never married	29.5%	26.2%	30.1%	31.9%	1.2%
Married to first spouse	35.8	35.7	35.6	36.1	83.8
Divorced, never remarried	18.5	21.4	12.3	20.6	3.6
Divorced, remarried	10.3	9.5	16.5	6.2	9.7
Widowed, remarried or not	5.9	7.2	5.5	5.2	1.7
	100.0%	100.0%	100.0%	100.0%	100.0%

Husband's occupation

Of those women officers currently working, nearly two-thirds are married to executives or professional men. The more highly compensated the woman, the more likely she is to have an executive or professional spouse.

Similarly, degreed women are far more often the wives of executives or professionals. A third of the officers who are 50 or more have husbands who are retired.

Husband's occupation	Total	By compensation			By education	
		Less than $30,000	$30,000-$49,999	$50,000 or more	No degree	One degree or more
Executive	31.3%	25.0%	21.6%	46.4%	17.0%	41.4%
Professional	33.9	27.5	35.2	39.0	21.3	41.4
White collar	11.0	10.0	21.6	2.4	14.9	8.6
Blue collar	11.9	27.5	5.4	2.4	25.5	2.9
Self-employed	1.7	2.5	2.7	—	2.1	1.4
Retired	10.2	7.5	13.5	9.8	19.2	4.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Hours devoted to homemaking tasks

About seven of 10 women officers currently married devote no more than 15 hours weekly to home chores. Even so, they average considerably more time than their spouses. The husbands devoting the longest hours to homemaking responsibilities are those married to women 50 and over; a third of these men are retired.

Probably because of their more demanding jobs, highly compensated women spend less time on homemaking tasks than do their lower-paid counterparts.

Hours devoted to homemaking tasks	1980 Women officers				Spouses of officers
	Total	By compensation			
		Less than $30,000	$30,000-$49,999	$50,000 or more	
▪ Fewer than 10	35.9%	10.3%	37.8%	58.6%	62.7%
▪ 10-15	35.9	41.0	40.6	26.8	23.7
▪ 16-20	18.8	28.2	16.2	12.2	7.6
▪ 20 or more	9.4	20.5	5.4	2.4	6.0
	100.0%	100.0%	100.0%	100.0%	100.0%

Progress of women over the past ten years

Women officers overall feel that the progress of women as managers and professionals in major American businesses over the past 10 years has been about what they anticipated.

The historical perspective of the officers does not appear to be influenced strongly by the level of compensation they have attained in their own careers. However, women 50 and over have a higher degree of satisfaction with what has been accomplished during the decade than do their younger counterparts.

Progress of women over the past ten years	Total	By compensation			By age		
		Less than $30,000	$30,000-49,999	$50,000 or more	Under 40	40-49	50 or over
Much faster than anticipated	2.8%	3.6%	2.7%	2.1%	1.1%	2.9%	4.2%
Somewhat faster	17.0	16.9	13.7	19.6	14.4	14.7	21.0
As anticipated	46.6	45.8	43.9	49.5	48.9	45.6	45.3
Somewhat slower	30.0	32.5	32.9	25.7	30.0	32.4	28.4
Much slower	3.6	1.2	6.8	3.1	5.6	4.4	1.1
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Progress of women over the next ten years

More than three-fourths of the women officers feel that progress of women as managers and professionals in major American businesses will be faster over the next decade than in the past 10 years. The optimism advances with the level of compensation. Most sanguine are the oldest women, with eight of 10 in the 50 and over bracket viewing coming progress as much or somewhat faster than that achieved in the last decade.

Progress of women over the next ten years	Total	By compensation			By age		
		Less than $30,000	$30,000-49,999	$50,000 or more	Under 40	40-49	50 or over
Much faster	21.6%	17.9%	21.9%	24.4%	22.0%	23.5%	19.8%
Somewhat faster	55.3	57.1	54.8	54.1	53.8	50.0	60.4
The same	19.2	22.6	16.5	18.4	19.8	19.1	18.8
Somewhat slower	3.5	1.2	6.8	3.1	4.4	5.9	1.0
Much slower	0.4	1.2	—	—	—	1.5	—
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Progress of women compared with that of blacks

Six out of 10 women officers feel that the progress of women in achieving executive positions over the past 10 years has exceeded that of blacks. This viewpoint jibes with that of black executives, most of whom indicated that women had advanced more rapidly over the past decade and a half.

The women officers are even more certain that the gains of females will outdistance those of blacks in the decade to come, with 63 percent characterizing the pace for women as much faster or somewhat faster. When questioned about the next 15 years, black executives also were inclined to believe that women would make even greater gains vis-a-vis blacks.

Progress of women compared with that of blacks	Past 10 years	Next 10 years
Much faster	22.1%	16.6%
Somewhat faster	38.5	46.1
The same	23.8	34.4
Somewhat slower	12.3	2.5
Much slower	3.3	0.4
	100.0%	100.0%

Stand on women's issues

Only 12 percent of the women officers are members of a women's rights organization such as the National Organization for Women, Women's Equity Action League or National Women's Political Caucus. However, a majority of the group supports all but one of eight women's issues. The sole exception is government child care centers, which arouses the greatest degree of uncertainty.

Publications

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Profile of a Mobile Executive (1980, 1977)

Director Data—A report on outside director selection practices (originated in 1976, issued annually)

The Search For Management—Services of an executive recruiting firm

Heidrick and Struggles, Inc.

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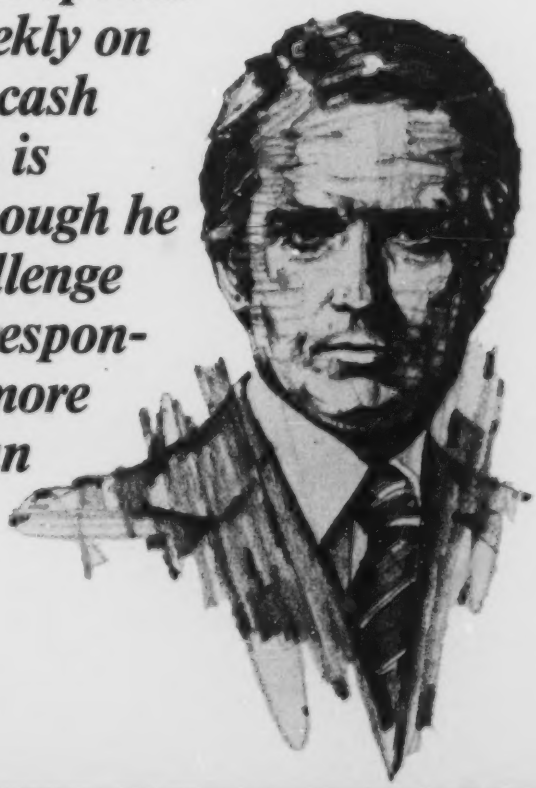
Profile of a Mobile Manager 1980

The typical upper-echelon mobile manager in American business today is a 47-year-old white male Protestant who is married to his first spouse. He spends 57.5 hours weekly on business. His cash compensation is $134,500, although he considers challenge and scope of responsibility to be more important than monetary reward.



Findings of a study of upper-echelon executives making career changes in 1979

The typical upper-echelon mobile manager in American business today is a 47-year-old white male Protestant who is married to his first spouse. He is a college graduate, although neither of his parents was. Employed by an industrial organization, he is based in the East and holds corporate officer rank.

The mobile manager spends 57.5 hours weekly on business. His cash compensation is $134,500, although he considers challenge and scope of responsibility to be more important than his compensation package.

His work affords him at least above average pleasure, and he has a high degree of satisfaction with his career progress. He has declined an offer of promotion or a new post with a different employer in the past two years because no increase in challenge was apparent.

Heidrick and Struggles, Inc.
Consultants
in Executive Search

About this study

In 1979 Heidrick and Struggles conducted its sixth annual study of those individuals whose assumption of positions of leadership in major business organizations had been announced in the Who's News column of *The Wall Street Journal*.

In 1975 this group constituted 3,394 men and 27 women; in the current survey, 4,113 men and 45 women were represented.

All of those included in the 1979 sample are chairmen and presidents of listed or actively traded unlisted companies, regardless of size, or of privately-held companies of at least $100 million volume or vice presidents of the nation's 500 largest industrial companies and the largest organizations in non-industrial classifications. Executives holding officerships in subsidiaries, divisions or units are included only if those businesses merited inclusion on the basis of their size alone.

Questionnaires were sent both to those moving within their own organizations (3,669 individuals) and between companies (489). Responses were received from 36 percent of the population. Characteristics of respondents did not differ significantly from all those listed in Who's News in terms of identifiable qualities—title, size of employer and type of employer. Where appropriate, comparisons are made between the 1979 and 1975 participants.

Heidrick and Struggles is grateful to the individuals who made this study possible.

About Heidrick and Struggles

For more than a quarter century, Heidrick and Struggles has devoted its full resources to helping client organizations in all major industries to locate, evaluate and attract the highest caliber executive talent. Men and women sought in behalf of client companies range from candidates for the board of directors and chief executive officer's post to middle management.

As one of the oldest and largest firms devoted exclusively to executive search, Heidrick and Struggles provides access to leading executive markets around the world through 10 domestic and nine international offices. The firm's seasoned consultants are supported by the search industry's most comprehensive research and planning operations, the product of more than 25 years of meeting clients' needs for superior performers.

Review and Forecast *by Eugene E. Jennings, Ph.D.*

A cruel hoax is being perpetrated on aspirants to the apex of corporate America's pyramid. In an effort to promote the 'quality of life' concept, a growing number of corporate watchers today are minimizing the sacrifices necessary for success. They are proposing that making it to the top should not require:

1. Graduate education;
2. Movement around and among organizations;
3. A commitment to long hours, including evenings and weekends;
4. A deferential spouse whose career comes second; and
5. A family which can be uprooted and geographically relocated.

Granted, some are realizing their high ambitions without adhering to one or several of these values generally ascribed to the mobile manager. Yet the findings of this study fly in the face of those who would portray the route to the top as easier than it really is.

The traditional mobile manager is alive and well and—if anything—is crowding out more competitors today than five years ago. There are more MBAs in senior management and increased inter-organizational movement. Deferential spouses are in the clear majority and willingness to move geographically has not slackened a bit. Certainly, compensation increases are greater among those who move to other organizations than those who move within. Mobility has become the great inflation fighter.

In the early 60s when the mobile manager was first identified, many believed he was a passing fad. On the contrary, the competency and commitment of those adhering to classic values continue to be highly prized in corporate America. Those who believe otherwise endanger their own success and that of their organizations. We shall expect even greater emphasis on these values in the future as corporate America heightens its standards for management still further to compete more effectively at home and abroad.

Dr. Jennings is a professor of management at Michigan State University and an authority on mobility in management.

Age

The average age of upper-echelon executives moving to new business organizations in 1979 remained virtually unchanged from five years before. However, the proportion age 50 and over advanced more than four percentage points, possible evidence of growing acceptance of older executives.

	1979	*1975*
Under 40	15.6%	15.0%
40-44	19.2	20.3
45-49	23.7	27.4
50-54	21.3	19.8
55 and older	20.2	17.5
	100.0%	100.0%
Average	47.8 years	47.4 years

Sex

In five years, the percentage of women being named to upper-echelon positions has hardly changed. This is not too surprising, since women first entered the mainstream of business in the early seventies, and as many as 20 years are required to develop senior level managers. The proportion of women found at the upper reaches of major organizations cannot be expected to change dramatically until the early 1990s.

	1979	*1975*
Male	98.9%	99.2%
Female	1.1	0.8
	100.0%	100.0%

Protected Class Representation

Only about one percent of mobile senior echelon managers are members of protected classes of race or ethnic origin. Since Civil Rights legislation relative to employment came into being in 1964, a greater number of protected class members might be expected to be found in the next several years.

	1979
Black	0.4%
Hispanic	0.6
Asian	0.2
	1.2%

Religion

More than six out of 10 of the mobile executives are Protestants. The incidence of Protestants and Jews exceeds their representation in the population at large, while Roman Catholics are under-represented in the upper reaches of major American corporations.

	1979 Mobile Managers	*USA Population*
Protestant	61.9%	55.1%
Roman Catholic	27.6	37.1
Jewish	7.7	4.3
Other	2.8	3.5
	100.0%	100.0%

Marital Status

The overwhelming majority of upper echelon mobile managers are married for the first time. Most of those who have been divorced are remarried. The executives are less likely than America's adult population as a whole to be divorced.

	1979 Mobile Managers	*USA Population, 18 and over**
Single, never married	1.2%	15.5%
Married to first spouse	83.8	52.5
Separated and divorced, not remarried	3.6	11.9
Divorced, remarried	9.7	10.1
Widowed, remarried or not	1.7	10.0
	100.0%	100.0%

**1978 General Social Survey, National Opinion Research Center, Chicago, Illinois*

Spouse Employed Full Time

Not unexpectedly, the problems attendant to two-career families are just beginning to be felt by the senior echelon executive group, whose average age is nearly 48 and almost exclusively male. In one out of 10 cases, however, the executive's spouse is employed full time outside the home. Typically the employer is a business organization, followed by educational and governmental institutions.

Of those executives with spouses who are employed full time, 18.1 percent report that the wife or husband declined a promotion or job offer from another organization within the past two years. Most frequently, the cause was conflict with the marriage partner's career.

When asked how career conflicts were resolved, survey participants most often (41.5 percent) responded that the more highly compensated individual's career governed. The second most frequently mentioned solution was to give precedence to that career offering greater long-term potential.

	1979
Yes	10.0%
No	90.0
	100.0%

Highest Educational Attainment

The level of education attained by senior echelon executives continues to advance. Nearly half of the current crop hold advanced degrees, although even an undergraduate diploma was a rarity among their parents. The MBA is by far the most popular post-graduate study. Harvard ranks first among schools represented by degree holders. Indeed, the institution increased its lead from 9.4 percent in 1975 to 10.6 percent of all degrees granted, while second-rank New York University advanced from 4.1 percent to 4.8 percent.

	Mobile Managers 1979	*Mobile Managers 1975*	*Father 1979*	*Mother 1979*
No degree	7.7%	9.5%	71.7%	81.3%
Undergraduate degree	45.1	47.0	17.5	15.9
MBA	23.5	19.4	0.8	—
Other master's	10.7	11.5	4.8	2.4
JD	9.4	9.3	3.4	0.1
Doctoral	3.6	3.3	1.8	0.3
	100.0%	100.0%	100.0%	100.0%

Employer Type and Size

A sizable majority of the mobile managers studied are employed by industrial companies; the largest proportion is affiliated with $2 billion firms. Among the non-industrials, finance, insurance and real estate organizations lead in representation.

In 1975, 59.1 percent of the survey participants were associated with industrials, while 40.9 percent were employed by non-industrials.

Industrials	***64.3%***
$2 billion or more	26.5%
$1-1.9 billion	11.4
$500-999 million	12.9
Under $500 million	13.5

Non-Industrials	***35.7%***
Finance, insurance and real estate	16.2%
Services	3.6
Wholesale and retail trade	6.7
Transportation	3.3
Communications and utilities	5.9
Industrials and non-industrials	100.0%

Base Location

As would be expected in light of the representation of billion dollar employers, nearly three-fourths of the mobile managers are based in the East or Midwest. Just a quarter are found in the South, Southwest and West. Less than one percent of the executives are based abroad currently, although 21.3 percent have resided in a country other than the United States during their business careers.

East	42.1%
Midwest	30.9
South	9.5
Southwest	6.0
West	10.9
Foreign	0.6
	100.0%

Title

About seven of 10 current survey participants (69.9 percent) hold corporate titles, while five years ago more than three of four (75.8 percent) managers did. The proliferation of subsidiary, division and unit titles—from 24.2 percent to 30.1 percent—reflects the growing size and complexity of business organizations.

Of respondents in the 1979 study, 49.8 percent have general management responsibilities and 40.2 percent have functional duties.

	Corporate 1979	*Corporate 1975*	*Subsidiary, Div., Unit 1979*	*Subsidiary, Div., Unit 1975*
CEO, Chairman, Vice chairman, President	17.9%	21.2%	18.2%	12.3%
EVP, Sr. VP, Group VP	22.9	18.7	5.1	4.5
Vice President	26.7	32.1	6.4	6.4
Other	2.4%	3.7	0.4	1.1

Cash Compensation (base and bonus)

During the five years which elapsed between studies, cash compensation of mobile executives has climbed from an average $96,350 to $134,500. This increase has more than kept pace with inflation. To earn the equivalent of 1975's figure in 1979, the manager would have been earning $129,922.

	1979	*1975*
Less than $70,000	10.2%	33.8%
$70,000-89,999	16.2	20.5
$90,000-119,999	25.9	21.6
$120,000-159,999	22.5	24.1
$160,000 or more	25.2	
	100.0%	100.0%
Average	$134,500	$96,350

Change in Compensation, Old to New Position

More than nine of 10 mobile managers moving to new responsibilities in 1979 attained higher compensation. The average gain amounted to 32.9 percent, with a larger differential—35.8 percent—being posted in inter-organizational changes. Those promoted by their own companies received an average increase of 29.3 percent.

The compensation change reported for 1979 (32.9 percent) was up substantially from the gain of 24.1 percent reported in 1975.

	1979 Total	*1979 Interorganization*	*1979 Intraorganization*	*1975 Total*
Decrease	7.2%	9.0%	1.2%	8.2%
No change	1.6	4.5	5.3	4.8
Increase	91.2	86.5	93.5	87.0
	100.0%	100.0%	100.0%	100.0%
Less than 10%	8.3%	10.0%	4.5%	13.1
10-14%	8.3	6.5	14.3	12.8
15-19%	8.8	6.5	12.2	12.1
20-24%	10.7	10.0	13.8	11.6
25-29%	8.6	6.5	13.3	8.4
30-39%	15.0	13.0	14.2	10.3
40-49%	11.2	10.5	7.5	6.7
50% or more	20.3	23.5	13.7	12.0
Average increase	32.9%	35.8%	29.3%	24.1%

Perquisites

The mobile managers enjoy a wide variety of perquisites in their new positions. Performance shares, stock purchase plans, deferred compensation and financial counseling are those which have gained in popularity over the past five years.

	1979	*1975*
Stock options	71.9%	86.4%
Performance shares	24.2	13.8
Stock purchase plan	41.7	37.5
Deferred compensation	31.7	27.1
Automobile	57.6	NA
Club membership	55.7	NA
Low-cost loans	5.8	NA
Medical exams	88.9	NA
Extra life insurance	69.7	NA
Financial counseling	33.5	26.3
Management contract	13.2	15.9

Results do not add to 100% due to multiple responses

Source of Inter-organizational Change

Executive recruiting consultants have become the prime means of inter-organizational movement at the upper echelon, replacing personal contact. This change reflects greater interest in the broadest possible search for leadership, rather than limiting such efforts to those who are already known.

	1979	*1975*
Personal contact	44.5%	51.7%
Executive Recruiter	55.0	47.8
Other	0.5	0.5
	100.0%	100.0%

Reasons for Mobility

Challenge and scope of responsibility remain the most important reasons for managers to move within or between organizations. Compensation advanced to third rank in 1979, ahead of the appeal of job content. Level of reporting relationship received significantly more mentions in 1979, perhaps reflecting the concern of managers with their place in larger, more layered organizations.

	1979	*1975*
Challenge	69.6%	64.0%
Scope of responsibility	69.1	65.5
Compensation package	42.0	32.7
Appeal of new job content	29.1	36.4
Level of reporting relationship	26.9	17.5
Title	15.9	11.3
Geographic location	9.1	6.2

Results do not add to 100% due to multiple responses

Reasons for Declining Opportunities

Nearly six of every 10 executives included in the current survey had declined a promotion or job offer from another organization in the preceding two years. Lack of increased challenge was the most frequently cited reason for refusing an opportunity, with lack of attractiveness of the company and lack of increased responsibility also being mentioned often. Significantly, money ranked fourth among causes of declination.

This question was not asked previously.

	1979
No increase in challenge	27.3%
Company not attractive	22.0
No increase in responsibility	21.3
Insufficient compensation package	19.6
Unattractive geographic location	12.6

Results do not add to 100% due to multiple responses

Number of Full-time Employers

The inter-organizational mobility of senior level executives has advanced in the last five years to more than three employers. Only 18.9 percent of the current respondents have devoted their entire career to a single employer, compared with 20.2 percent in 1975. Of the present participants, nearly three of 10 (29.9 percent) have averaged at least one full-time employer for every completed decade of life. This was true of little more than one in four (25.6 percent) five years ago.

	1979	*1975*
One	18.9%	20.2%
Two	25.9	26.2
Three	23.0	23.5
Four or more	32.2	30.1
	100.0%	100.0%
Average	3.14	2.90

Hours Devoted to Business Weekly

While much has been said relative to a decline in the work ethic even within management ranks, this trend has yet to impact those at or near the top of the pyramid. The average workweek of survey participants remains beyond 57 hours, while the proportion working 60 hours or more has increased to nearly half of the sample.

	1979	*1975*
Less than 50 hours	7.7%	8.0%
50-59	43.8	45.4
60-69	38.5	37.0
70 or more	10.0	9.6
	100.0%	100.0%
Average	57.5	57.4

Satisfaction with Career Progress

The self-designated degree of satisfaction with career progress among respondents has declined only slightly since 1976, when this question was initially posed. While virtually the same proportion continue to enjoy an above average degree of satisfaction, those at the very high level are fewer in number.

	1979	*1976*
Very high	40.9%	42.3%
High	50.0	48.7
Average	8.5	8.5
Low	0.6	0.5
	100.0%	100.0%

Feeling Regarding Work

The intensity of feeling regarding work has dropped since the question was first asked of participants. Only 20.5 percent now fail to distinguish between work and pleasure, compared with 23.8 percent in 1976.

	1979	*1976*
Work and pleasure are one	20.5%	23.8%
Work affords above average pleasure	65.1	61.3
Work affords average pleasure	10.3	11.0
Work affords below average pleasure	1.3	1.5
Work and pleasure are separate and distinct	2.8	2.4
	100.0%	100.0%

Geographic Mobility

While executives as a group display increasing reluctance to relocate geographically, senior level managers exhibit no such reservations. Indeed, the proportion asserting themselves to be impossible or even reluctant to move has declined since 1976 when the subject first was raised.

	1979	*1976*
Eager to Move	2.2%	2.5%
Willing to Move	59.3	53.7
Reluctant to Move	35.3	40.5
Impossible to Move	3.2	3.3
	100.0%	100.0%

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